

A photograph of a rocky coastline with waves crashing against the shore under a blue sky with scattered clouds.

Financial backing for saving energy and reducing emissions in the transport industry

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NEFCO in a nutshell

- Nordic financial institution established 1990 in Helsinki
- Financier of environmental projects
- Fund Manager for the Nordic countries, USA, Germany, the Netherlands, Russia, EU and GEF
- Total value of the funds administered by NEFCO is currently EUR 549 million
- Active role in the Arctic Council, the Barents Council, NDEP and other international organisations
- Climate and environmental expertise
- Project activities in 29 countries

Green growth



"Green growth means fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. To do this it must catalyse investment and innovation which will underpin sustained growth and give rise to new economic opportunities."

OECD, Towards green growth, 2011



Our work in 2012

65

65 new approved projects

21

21 indications of interest were registered in 2012

46

Investment Fund: 46 active projects valued at EUR 115.9 million

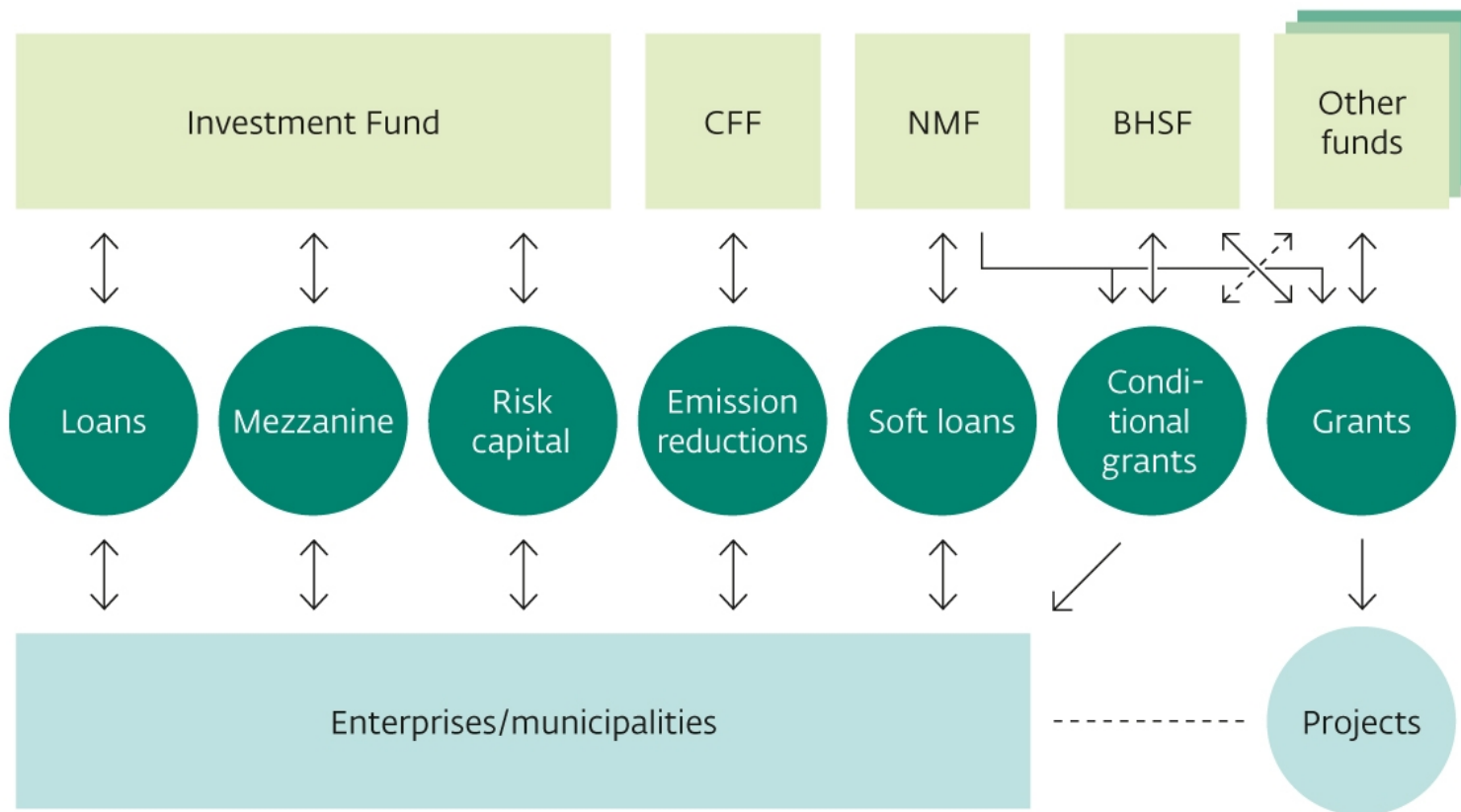
13

Equity investments in 13 active projects

549

The total value of the funds administered by NEFCO as of April 2013: EUR 549 million

Our funds



Financial criteria for projects

- The project has to be implemented within NEFCO's geographic mandate
- The project has to deliver measurable reductions of environmentally harmful emissions
- Only financially viable, bankable investments
- Tested technology must be applied
- Ecological cost efficiency and Nordic interest

Environmental results 2012:

CO₂: 3.6 million tonnes



= 6.5 million flights from Helsinki to New York

P: 1,206 tonnes



= untreated wastewater from 1.8 million people

SO_x: 4,212 tonnes



= 5% of Finland's total SO₂ emissions 2010

Case: Upgrades of bus transports in Russia



- Joint programme with Scania in Russia
- Scania has a 23 per cent share of the market for Western buses in Russia
- Replacement of petrol-driven buses in Moscow
- Reduction of VOCs, CO₂, CO and SO₂
- Fuel efficiency
- Buses fuelled with natural gas

Case: Production of biofuel in Rivne, Ukraine



- Usage of rapeseed for producing bio-diesel
- One tonne of rapeseed → 350 kg of oil
- 150 tonnes of bio-diesel is produced annually
- NEFCO granted a loan from its Facility for cleaner production
- The client, Shevchenko Farmer Enterprise, saves EUR 30, 000 per year with renewable bio-diesel

The maritime sector



- Huge potential for reducing emissions
- Modernisation of ports and the introduction of alternative fuels
- The BSAP Fund has financed usage of methanol based fuel on board a Swedish vessel together with SSPA Sweden
- Partners: ScandinNAOS, Stena Rederi, Haldor-Topsøe, Wärtsilä, Lloyds, Methanex

Findings of the pilot project with SSPA



- It is faster and less expensive to use methanol instead of LNG
- Cheaper conversion costs
- The demand for methanol exceeds the current supply
- It takes some 5 years to construct a methanol plant
- No Sox emissions from ethanol
- The Nox emissions are below IMO's requirements
- Dual use of fossile diesel and methanol

Challenges in the use of biofuels



- The impact on old-growth forests
- Biofuels versus food production
- The CO₂ balance when importing biofuels from the other side of the world
- The risk of getting shamed and named by the environmental movement
- EU's position changing

Thank you for your attention!

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