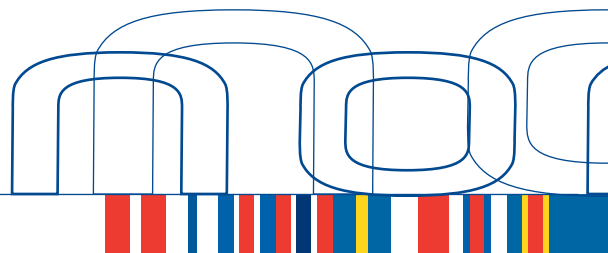




norden

Nordic Council of Ministers



## Nordic action on climate support

To limit average global warming to 2° C investments designed to reduce greenhouse gas emissions are urgently needed around the world. The most vulnerable countries particularly need assistance to achieve sustainable economic growth and adapt to the adverse impacts of climate change.

The Nordic Countries have already taken the initiative by funding mitigation and adaptation solutions that can show the way forward. They channel public climate finance and leverage private finance through a wide range of bilateral and multilateral schemes and organisations.

This fact sheet illustrates the extensive climate support provided by the Nordic Countries for developing countries, which includes various kinds of grants, loans and guarantees, as well as vital technical assistance.

### Generous Nordic pledges to the Green Climate Fund

The Green Climate Fund (GCF) was initiated at the UN Copenhagen climate summit in 2009 to channel resources to help developing countries realise their climate policies. The Nordic Countries have been among the most willing countries to pledge contributions to the GCF's initial resource mobilisation period (2015–2018). The Nordic Countries see the GCF as a key climate finance mechanism for the future alongside other multilateral and bilateral channels where they have also built up a track record of generous contributions.

### Mobilising private climate finance

Public climate finance will continue to play an important role after 2020, but to keep on track for the 2° C target public finance must also leverage private finance on a large scale. The Nordic Countries have good experiences with innovative financing models that mobilise private sector investments.

Publicly owned financing organisations including the *Nordic Development Fund*, the *Nordic Environment Finance Corporation* and the *Nordic Investment Bank* all leverage substantial private finance through co-financed investments promoting mitigation and adaptation.

The Nordic Countries' nationally funded development finance institutions also provide substantial amounts of risk capital and other support for Nordic-backed climate-friendly investments in developing countries.

### Sharing key technologies

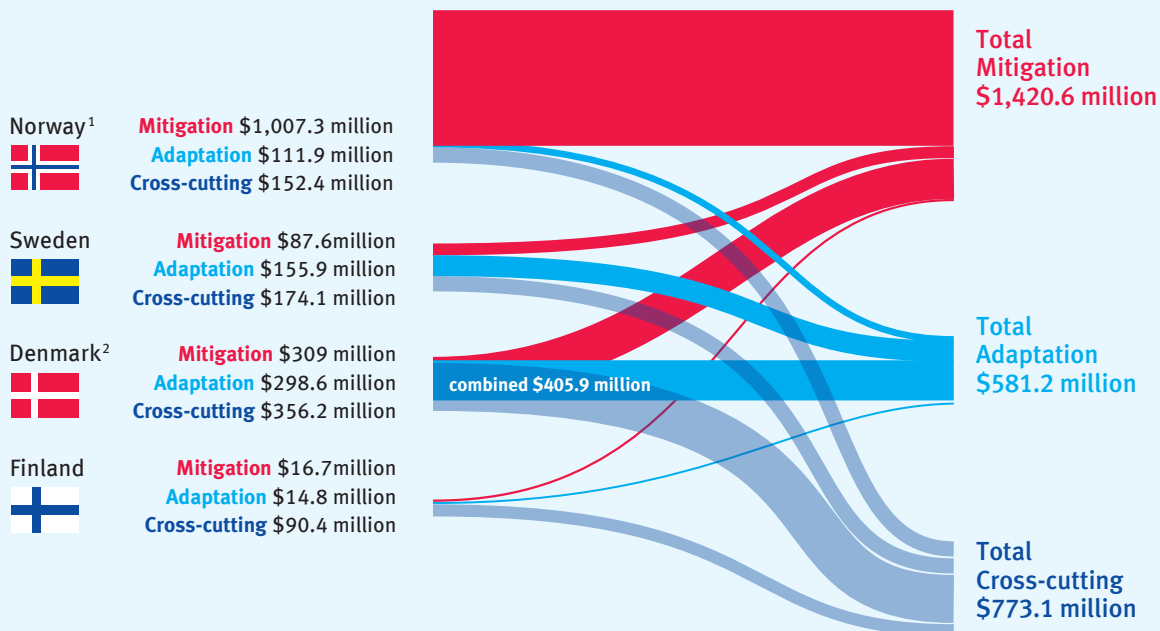
Technology is an essential part of the climate support provided to help developing countries mitigate and adapt to climate change. The Nordic Countries represent a major hub for the sharing of cleantech innovation and technologies in key areas including wind power, biofuels, combined heat and power schemes, geothermal energy and energy efficient buildings and industrial processes.



**The Nordic Countries lead the way in terms of per capita contributions in US dollars to the Green Climate Fund.** Figures for each country's total contributions in million US dollars are shown in brackets.



## Nordic climate finance flows in 2013

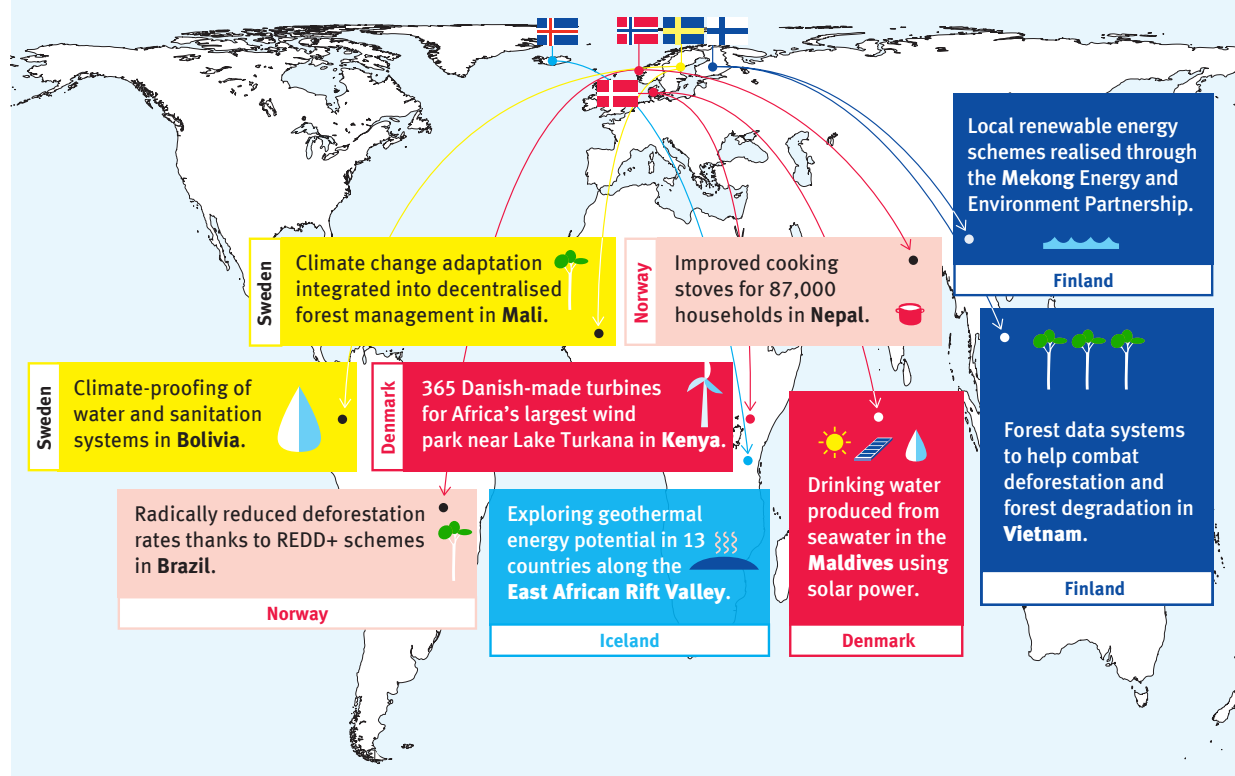


**Sources:** Figures for climate support provided to developing countries as reported under the EU Monitoring Mechanism Regulation.

<sup>1</sup> Norway's figures are from the national submission to the UNFCCC on strategies and approaches for scaling up climate finance. The figures for 2013 include an extraordinary payment of USD 492M made to Brazil under Norway's International Climate and Forest Initiative (NICFI).

<sup>2</sup> Denmark's figures are based on standard OECD-DAC methods and include bilateral commitments with both principal (100%) and significant (50%) climate objectives.

## Example climate projects funded by the Nordic Countries around the world





### The Nordic Development Fund (NDF) in 2014

**14** new projects funded worldwide.

**38.9** million euros of new grant financing.

### Groundbreaking microfinance

The USD 7 million *EcoMicro Programme*, co-financed by NDF and the Inter-American Development Bank, won the UNFCCC Momentum for Change Lighthouse Activity Award in 2014. This micro-funding scheme enables small businesses in Latin American and the Caribbean – including the owners of small corner shops in Mexico – to invest in clean energy and energy-saving equipment.



PHOTO: ECOMICRO

### Carbon credits from clean development

The *NEFCO Carbon Fund (NeCF)* uses a public private partnership model through which carbon credits (CERs) are procured under the Kyoto Protocol's clean development mechanism. During 2015 contracts will be made on behalf of Norway with newly selected projects in least developed countries.

### The Nordic Environment Finance Corporation (NEFCO) in numbers

**154** new projects approved in 2014, worth **89 million euros**.

NEFCO financing in 2014 resulted in CO<sub>2</sub> emission reductions totalling **5.2 million tonnes**.

### The Nordic Investment Bank (NIB)

NIB loans generated annual CO<sub>2</sub> emission reductions amounting to **261,000 tonnes** in 2014.

### Opportunities for green investment

*NIB's Environmental Bond scheme (NEB)* enables green-minded investors to support developments with favourable climate impacts in the Nordic-Baltic region, including wind power, hydro and bioenergy projects.



PHOTO: CARL GUSTAV LORENTZEN / BANCHURCH AID

### Promoting climate-smart farming in Malawi

The Nordic Climate Facility (NCF), which is financed by NDF and administered by NEFCO, has contributed 350,000 euros to a 600,000-euro project in rural Malawi. The project provides training on climate-friendly farming methods including solar-powered irrigation, agroforestry and organic fertilisers. This should significantly reduce farmers' vulnerability to the impacts of climate change, while also cutting emissions and enhancing local livelihoods.



## Key Nordic organisations working in climate finance

The Nordic Countries together provide resources for several *joint Nordic institutions* that deliver climate finance, by contributing capital funds in proportion to their gross national income.

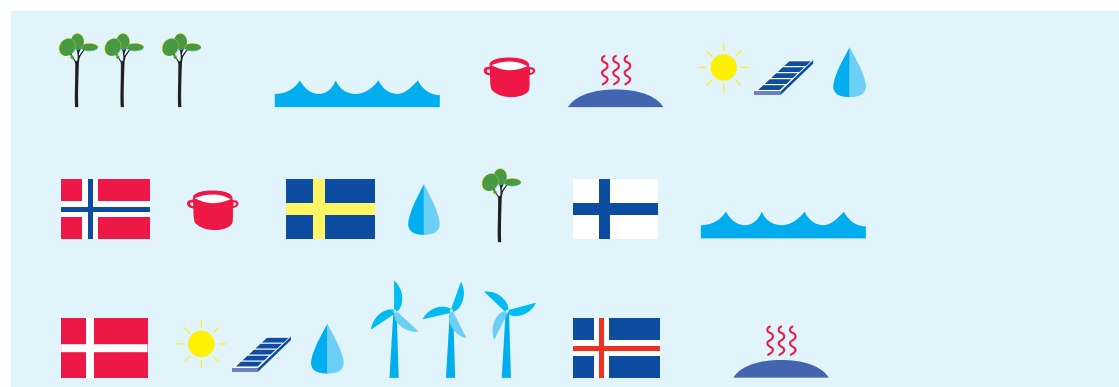
- *The Nordic Development Fund (NDF)* provides co-financing grants for climate-friendly developments in Africa, Asia and Latin America. Funding typically amounts to 2–5 million euros for individual projects realised in collaboration with multilateral and Nordic development agencies. [www.ndf.fi](http://www.ndf.fi)
- *The Nordic Environment Finance Corporation (NEFCO)* provides loans and capital contributions for green growth investments regionally and globally. Many of the 32 funds managed by NEFCO focus specifically on climate issues. [www.nefco.org](http://www.nefco.org)
- *The Nordic Investment Bank (NIB)* is jointly owned by five Nordic and three Baltic countries. NIB provides loans and guarantees to support private and public sector investments with favourable climate impacts, primarily in the Nordic and Baltic regions. [www.nib.int](http://www.nib.int)

The Nordic Countries' *nationally funded development finance companies* also provide risk capital and other support for climate-friendly investments in developing countries.

- Norfund [www.norfund.no](http://www.norfund.no)
- Swedfund [www.swedfund.se](http://www.swedfund.se)
- The Danish Investment Fund for Developing Countries (IFU) [www.ifu.dk](http://www.ifu.dk)
- Finnfund [www.finnfund.fi](http://www.finnfund.fi)

Various *national and shared Nordic initiatives* also represent significant channels for climate support.

- *The Nordic Climate Facility (NCF)* provides co-financing grants of up to 500,000 euros to leverage private and other financing and the transfer of Nordic climate-related knowhow to climate-related projects in developing countries. NCF is financed by NDF and administered by NEFCO.
- *Norway's International Climate and Forest Initiative (NICFI)* has been the largest single contributor to global efforts to reduce emissions resulting from deforestation and forest degradation in developing countries (REDD+).
- *Finland's Energy and Environment Partnership Programme (EEP)* promotes renewable energy and cleantech developments in the Andean region of South America, the Mekong Region of SE Asia, Indonesia, and Southern and Eastern Africa. [eeppglobal.org](http://eeppglobal.org)



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