

Nordic Climate Facility

A Nordic climate initiative
for developing countries

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The Nordic Climate Facility finances projects that have the potential to combat climate change and reduce poverty in low-income countries. The Facility is financed by the Nordic Development Fund (NDF) and implemented jointly with the Nordic Environment Finance Corporation (NEFCO).



The Nordic Development Fund (NDF) is a multilateral development finance institution established by the five Nordic countries in 1989. The cumulative capital of NDF is EUR 1 billion, of which around EUR 100 million has been allocated to 32 climate change-related interventions in low-income countries during 2009 - 2011. Approximately half of these projects relate to adapting to climate change. Climate change mitigation projects approved for financing by NDF during the same period are estimated to reduce carbon dioxide emissions by approx. 3.3 million tonnes per annum.
> www.ndf.fi



The Nordic Environment Finance Corporation (NEFCO) is an international financial institution established by the five Nordic countries which finances cost-effective environmental projects in Russia, Ukraine, Estonia, Latvia, Lithuania and Belarus and climate projects across the world. As of September 2011, NEFCO administers environmental investment funds with a total value of EUR 450 million. In 2010, climate-related projects financed by NEFCO reduced carbon dioxide emissions by 3 million tonnes.
> www.nefco.org



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The Nordic Climate Facility (NCF) provides grants to development projects that have the potential to combat climate change and reduce poverty in low-income countries. The Facility encourages innovation and knowledge transfer in sectors affected by climate change such as energy, transport, water and sanitation, health, agriculture and forestry. NCF is based on calls for proposals: each call focuses on specific themes relating to climate change.

The Nordic Development Fund (NDF) has provided a total of EUR 12 million under the first two calls for proposals under the NCF. The third call for proposals launched in October 2011 has been granted EUR 6 million by NDF for the theme *Innovative low-cost climate solutions with a focus on local business development*.

Mission

NCF encourages and promotes technological innovation in sectors susceptible to climate change such as energy, transport, water and sanitation, health, agriculture, forestry as well as other areas related to natural resource management. NCF calls for innovative proposals comprising specific themes related to climate change. The best proposals may receive partial grant financing amounting to between EUR 250,000 and 500,000. The implementation period for the projects should be no more than two years.

Themes

The climate change themes have varied for each call for proposal. The proposals should, however, focus either on adaptation to and mitigation of climate change, or on a combination of both. Climate change adaptation proposals may relate to issues such as rising sea levels, threats to water and agricultural resources as well as to overall human welfare. Climate mitigation proposals can comprise efforts to reduce the emission of greenhouse gases by utilising energy efficient technologies, substituting fossil fuels for sustainable renewable sources and carbon sequestration.

The specific theme for the third call is: *Innovative low-cost climate solutions with a focus on local business development*.

Focus is thus on supporting the creation of local business opportunities for the provision of locally-produced goods and services that will help reduce greenhouse gas emissions and facilitate climate change adaptation for poor people. At the same time, the development of business opportunities will improve local livelihoods and food security as well as generate jobs and empower women.

The third call for proposals especially encourages the development and testing of concrete concepts relating to climate change.

Who can apply?

Financing can be granted to partnerships between Nordic institutions, organisations, companies, or authorities, and qualified local partners in eligible low-income countries. The application should be submitted by the Nordic entity.

The eligible low-income countries for the NCF programme are:

Africa: Benin, Burkina Faso, Cape Verde, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Rwanda, Senegal, Tanzania, Uganda, Zambia, Zimbabwe

Asia: Bangladesh, Cambodia, Kyrgyz Republic, Lao PDR, Maldives, Mongolia, Nepal, Pakistan, Sri Lanka, Vietnam

Latin America: Bolivia, Honduras, Nicaragua



Photo: Mark Hankins

Solar panel for sale by a market vendor, Mtwara District Tanzania.



Photo: Dreamstime

Water quality, quantity and availability are affected by climate change in many areas.



Photo: Kari Hamekoski

Fuel efficient stoves use less firewood and reduce CO₂ and particle emissions.

Key requirements

Applications shall, apart from the required general background information, clearly indicate the specific positive outcomes of the project with reference to combating climate change and reducing poverty in the targeted countries.

The applicants should provide relevant, detailed information on the envisaged climate change and the expected concrete development impact of the proposed project.

For proposals with a climate change mitigation focus, the applicant shall provide detailed information on the expected measurable reductions of greenhouse gas emissions. As regards projects related to climate change adaptation, the applicant shall provide a detailed description of the urgency and quantitative or qualitative assessment of expected results. The scoring system encourages partnerships promoting truly innovative ideas and who can present a significant degree of local commitment and co-financing.

How to apply?

Applications shall be submitted in two phases: Concept Phase and Final Phase. More information forms and instructions are available on NDF's and NEFCO's homepages:

> www.ndf.fi > www.nefco.org

Indications of interest should be sent to:
> ncf@ndf.fi



Photo: Kim Forss

Business woman using solar lighting in her office.

OUTCOME OF THE FIRST AND SECOND NCF CALL FOR PROPOSALS

The first call for proposals was launched in October 2009 and had two themes: *Energy Efficiency* and *Water Resources*. The second call for proposals launched in October 2010 also had two themes: *Renewable Energy* and *Urban Adaptation to Climate Change*.

Through these two NCF calls, a total of 26 innovative projects were selected for implementation. More information on these projects are available on NDF's and NEFCO's homepages.

