

Annual Review 2019

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Review of 2019

NEFCO's Managing Director Trond Moe

Photo: NEFCO

Managing Director's review

In June 2019, I took office as Managing Director of NEFCO. The start of this new journey has been exciting, both in terms of our financing activity and the dedication of our staff. Throughout my career, I have enjoyed working with growth businesses in challenging markets. Perceived risk is often possible to mitigate, and to drive results in a particular direction, it is necessary, as NEFCO is, to be comfortable with both market and technology risks.

The last year was a record year for disbursements to projects, which means that our lending activity has increased even more than planned.

In Eastern Europe, we financed several significant renewable energy projects in Ukraine, and we increased the implementation speed in our municipal sector projects.

In our new global green growth financing, there is a strong demand for our facility in providing risk financing for Nordic companies in their growth phases. We processed several new projects, and the pipeline is encouraging. Combined with the early-stage funding we provide through Nopef and its unique portfolio of SMEs that are expanding internationally, NEFCO has a clear role in scaling up Nordic green solutions on global markets. Most of our projects are in energy efficiency and renewable energy. Nonetheless, there is demand for green innovations in many areas, such as smart resource usage, and solutions for sustainable food and transportation.

Strategy work in progress

One of my first major tasks was to start working on NEFCO's strategy for the next five years. This is still work in progress, but it is clear that NEFCO must adapt to changing markets, global challenges and the Nordic agenda for the green shift.

With 30 years of operations behind it, NEFCO has a solid background and extensive experience in financing green and sustainable projects, mainly in Eastern Europe. NEFCO has fantastic competence in tangible environmental solutions that work and can be implemented anywhere. In addition, we have long experience of financing feasibility studies for the international expansion of Nordic SMEs.

This background makes NEFCO unique. We are comfortable in challenging markets, and we know where Nordic SMEs go internationally. That is why we launched our Nordic global green growth initiative. There is a lack of risk capital for international growth for Nordic SMEs, and we

believe this should be an essential area for the future strategy of NEFCO.

We are also looking into other opportunities where we can add value both in terms of environmental impact and by using our experience in managing trust funds. An excellent example of this is the Beyond the Grid Fund for Africa, which we launched in 2019.

An essential part of our ongoing strategy work is to review and update our environmental priorities and guidelines in line with the most recent developments and ideas of our owners, the EU and the global market.

We launched the strategy process after the summer, and we have been working in close collaboration with our owners and staff in many productive sessions. The final result will be seen later in the year.

Room to grow for Nordic companies

At the time of writing, the global Covid-19 outbreak is putting extreme financial stress on many companies. The need to act towards a sustainable future has become ever more evident. I do believe the Nordic countries can restart their economies in a way that contributes to the green transition with technology know-how and innovations. I also challenge Nordic companies to be bolder and to launch their innovations earlier on international markets. There is room for them to grow and contribute to a greener and more sustainable global future, and we can finance them.

Trond Moe

Key financials in 2019



€82m

disbursed to projects in 2019



120

new projects agreed in 2019



359

active projects at the end of 2019



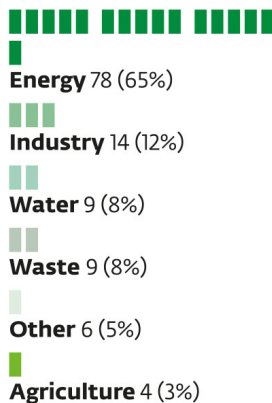
€619m

in funds managed at the end of 2019

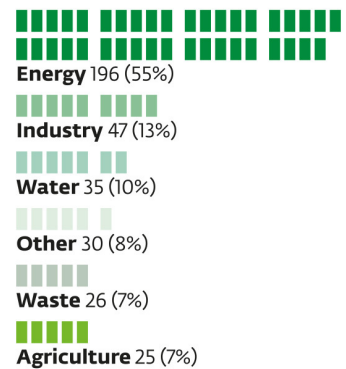
Sectors

The investments carried out in 2019 have a wide sector spread. Climate investments and projects continue to dominate. Energy-efficiency measures are the biggest single category, but there has also been a positive increase in projects related to renewable energy production, cleaner technology and other innovative green solutions through circular economy and resource efficiency.

Agreed projects in 2019



Active projects at the end of 2019

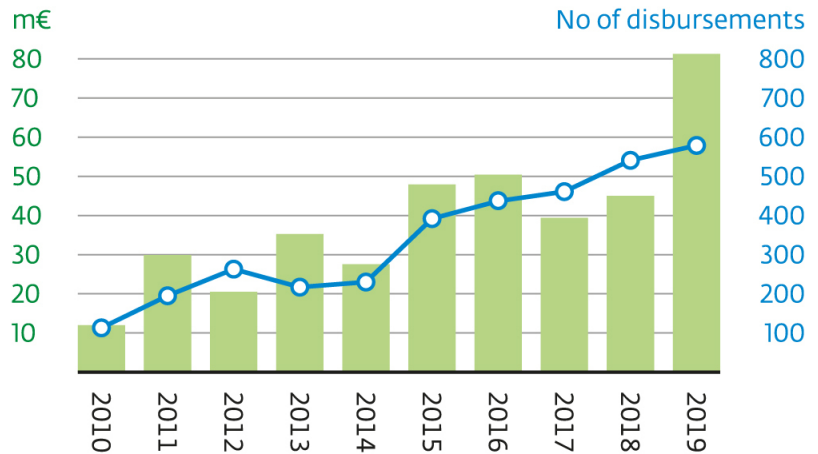


Disbursed funds

The year 2019 was characterised by an increased lending activity and a record year for disbursements to projects. EUR 82.7 million were disbursed during the year, a significant rise from the previous year.

Disbursed funds

■ In EUR
 ◆ No of disbursements

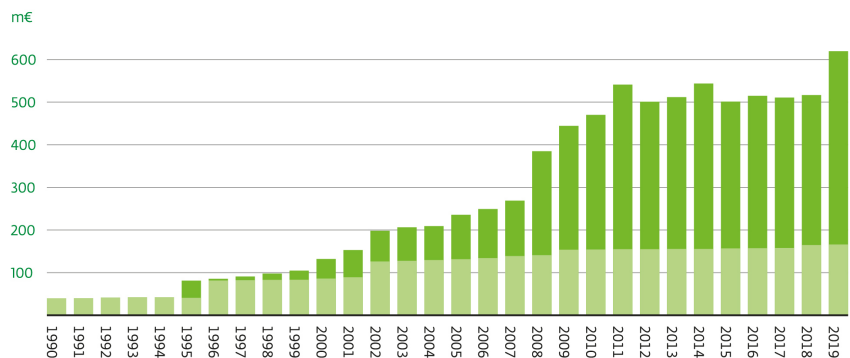


Total funds managed

NEFCO's paid-in capital and retained earnings form the basis for its investment activities. The number of trust fund assignments for dedicated initiatives has also increased steadily, and at the end of 2019 NEFCO managed funds for a total of EUR 619 million.

Total funds managed

■ NEFCO's equity
 ■ Managed Trust Funds

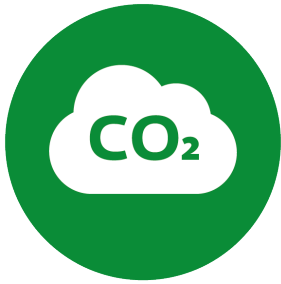


For more details, see the Annual Report 2019.

Impact through demonstration and replication

The projects we finance have not only direct environmental benefits but also remarkable demonstration value and scalability potential.

Our aim is to implement projects that can be replicated and scaled up, showing concrete examples and tangible results. Emission and pollution reduction results are important, however, our main impact is not in the numerical values but in our ability to deliver demonstration projects that eventually will lead to greater impact.



**6.72m
t CO₂**

avoided, which equals the emissions from all cars in Finland at annual average mileage



**979 t
P-tot**

reduced, which equals annual untreated wastewater from the inhabitants of Copenhagen metropolitan area



1.1 TWh

energy saved, which equals the heating of 50,000 detached houses



350

new jobs each year as a result of Nopef-funded projects

Small steps to greater impact

NEFCO addresses global environmental challenges by fostering the capabilities of the Nordic countries to provide sustainable solutions. Nordic companies can show the way globally and act as a pioneering example to tackle environmental challenges with socially sound solutions.

We finance projects that have not only direct environmental benefits but also remarkable demonstration value and scalability potential.

Demonstration value means that the project proves the positive impact of implementing technologies or methods in new markets, which will both help the project owner to grow and inspire others to replicate similar solutions. This, in turn, will lead to further upscaling of the environmental benefits beyond the scope of the original project financed by NEFCO. The main impact therefore lies in the demonstration value of the projects we finance, and not in the numerical value.

Measuring achieved results

In the last financial year, climate investments and projects continued to dominate. As in recent years, energy-efficiency measures are the biggest single category. It is also the most cost-efficient and immediate means to reduce the use of fossil fuels and harmful emissions. In addition, it often brings many other benefits, such as cost-savings and better comfort for communities. There has also been a positive increase in projects related to renewable energy production, innovative solutions and cleaner technology through circular economy and resource

efficiency.

We look for results achieved, and the data from our various projects are compiled during the first half of the year. We monitor the environmental impact of completed projects with various environmental indicators. The figures we present show actual results, not future estimates. Furthermore, the figures only cover results from the projects financed by NEFCO; they do not cover the additionality aspect, i.e. the emissions avoided by other subsequent projects. The numerical values on a global scale may therefore seem small. However, the main aim of NEFCO is to support green projects with a high demonstration value and scalability possibilities cost-effectively.

Some of the figures presented therefore show the results from 2018, as all the figures from 2019 are not yet available.

Greenhouse gases and air pollutants

Carbon dioxide (CO₂) is the most important of the greenhouse gases (GHG) causing changes in the earth's climate. CO₂ is the primary greenhouse gas, responsible for about three-quarters of GHG emissions. The other most important greenhouse gases are methane (CH₄), nitrogen oxides (NO_x) and some industrial gases. Black carbon (BC) is a short-lived climate pollutant with a lifetime of only days to weeks after release into the atmosphere. During this short period of time, black carbon can have significant direct and indirect impacts on the climate, especially in the glacier regions. Greenhouse gases cause climate change by trapping heat, and they contribute to respiratory disease from smog and air pollution. The EU is committed to reducing its greenhouse gas emissions by at least 40% by 2030, compared with 1990.

In our projects, we have primarily looked at the extent to which we can avoid CO₂ emissions and the amount of energy savings we can generate through the projects we finance. In 2019, our carbon fund activities led to 5.4 million tonnes of CO₂ avoided. Through our climate investments, 1.2 million tonnes of CO₂ were avoided in 2018, of which NEFCO's share was 12%, or 154,000 tonnes; the result for 2019 is expected to be at the same level.

Energy savings

In terms of energy efficiency measures, the projects we invested in managed to reduce energy consumption by 1.1 TWh, which corresponds to the annual heating of 50,000 detached houses. In terms of electricity, the generation savings were 560,000 MWh, corresponding to the annual electricity consumption of 225,000 Swedish apartments.

Nutrient discharges to prevent eutrophication

Eutrophication is the greatest environmental challenge of the Baltic Sea. Eutrophication occurs when excess nutrients, mainly nitrogen and phosphorus, caused by human activities, enter the water body. Reducing the nutrient load is essential to prevent eutrophication. The Baltic Sea is one of the world's most polluted seas, but there are harmful algae blooms elsewhere as well, such as in the coastal areas of the large oceans.

In 2018, total phosphorus (P-tot) discharges from wastewater treatment plants were reduced by 941 tonnes and from agriculture by 38 tonnes through NEFCO-financed projects. The total annual phosphorous discharge reduction of 979 tonnes equals the amount of discharges from the untreated wastewater of approx. 1.34 million people, or the population of metropolitan Copenhagen. NEFCO's pro rata share of the reduction is 203 tonnes P-tot, equalling wastewater from approx. 280,000 people.

The corresponding figure for total nitrogen (N-tot) was 4,498 tonnes N-tot, of which NEFCO's share was 890 tonnes N-tot.

See our Environmental Accounting Principles.

Positive effects on businesses and employment

Although environmental results are of primary interest to us at NEFCO, we also take social aspects into account. Through our energy-efficiency projects in Ukraine, some 190,000 people have benefitted from better comfort in day-care centres and schools, and community inhabitants from safer streets, thanks to new street lighting.

Supporting green growth also brings benefits in terms of employment. According to a survey conducted every year among our customers, internationalisation projects that have received early-stage funding from Nopef have created 350 new jobs, of which 50 were in the Nordic countries.

For more details, see the Annual Report 2019.



Review of the street lighting system in Bila Tserkva

Photo: NEFCO

Modernised street lighting saves energy

The city of Bila Tserkva in Ukraine modernised a major part of its street lighting system in 2018-2019, generating energy and cost savings for the city. The existing street lights were replaced with energy-efficient lighting fixtures in 77 streets in the city. Over 2,300 LED lamps, 60 new lighting poles, and 15 new and 68 modernised control cabinets were installed, and some 33 km of new self-supporting wire was laid. A new project is already under implementation. Read more on nefco.org. In addition, NEFCO is financing a project aimed at modernising the district heating network in the city through the DemoUkraineDH fund, see dh-ukraine.nefco.org.

Sustainable off-grid energy business in Africa

The aim of the new initiative Beyond the Grid Fund for Africa, (BGFA) is to incentivise new private sector business models offering affordable and clean energy access at scale to people living in rural and peri-urban areas in Africa. The programme builds on the positive experiences of the Beyond the Grid Fund for Zambia (BGFZ), which Sweden commenced in 2016 and REEEP has successfully been implementing. Since early 2019, NEFCO has acted as facility manager for BGFA. During its first two years, the award-winning pilot project has provided off-grid electricity and/or clean cooking to 150,000 households in Zambia. During the year, a team of experts has been mapping the market and sectors with the aim to design a financing round for Burkina Faso, Liberia and Mozambique, and a new round in Zambia. See beyondthegrid.africa.



Beyond the Grid Fund in Zambia

Photo: Jason Mulikita for REEEP



Green Growth

Photo: Amund Beitnes

68

new projects agreed

160

active projects at the end of the year

350

new jobs each year as a result of
Nopef-funded projects

Green growth activities in 2019

An important objective of NEFCO is to facilitate the global upscaling of Nordic green technologies and solutions by offering risk capital, grants and environmental verification in the critical growth phase. In addition to providing increased geographical risk diversification for our investments, a key objective of the global mandate has been to increase NEFCO's role as a catalyst for the implementation of green technologies and solutions on a broader scale. We have also seen clear synergies between our various instruments that focus on green growth.

The majority of the current project portfolio consists of projects related to energy efficiency and renewable energy. However, resource efficiency and circular economy solutions are on the rise. In addition, promising Nordic innovations related to sustainable fishery have received financing to expand.

Global investments growing steadily

In 2019, the new global mandate continued to provide new opportunities for Nordic companies to develop and finance green growth projects. NEFCO's Board approved investments to 6 new green growth projects under the global mandate, and agreements with two of these were signed before the end of the year; two more agreements followed suit in the beginning of 2020.

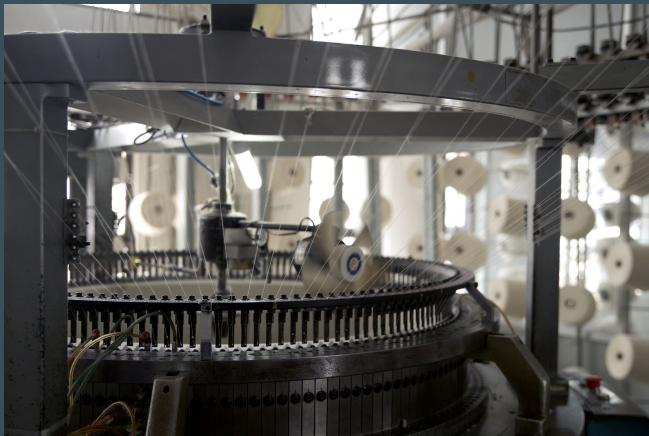
Moreover, NEFCO facilitates green growth through dedicated instruments such as the Nordic Project Fund (Nopef) that focuses on the early-stage market exploration of Nordic small and medium-sized companies (SMEs). Nopef, a trust fund managed by NEFCO and funded by the Nordic Council of Ministers, offers grant financing to Nordic SMEs for feasibility studies aimed at the implementation of Nordic green solutions on international markets.

In 2019, Nopef approved financing to 66 new projects that will be carried out across 26 target countries, with a geographical focus on Asia, North America and South America. Of previously

approved projects, 36 completed their establishment in the targeted project country, which is in line with expectations.

At the end of the year, the offering was extended to cover demonstration installations and commercial pilots in new markets. This new financing scheme is expected to gain a high level of interest among Nordic SMEs in the early stages of internationalisation. A growing number of projects developed with help from the early-stage funding from Nopef are now being considered for further investment through NEFCO's Investment Fund.

[Read more about our financing options on nefco.org.](https://nefco.org)



Spinning at Pure Waste Textiles factory in India
Photo: Pure Waste Textiles Oy

Clothes from 100% recycled materials

Pure Waste Textiles Oy, a Finnish manufacturer of clothes using 100% recycled materials, received funding from Nopef in 2019. The company uses waste from the garment industry as its raw material. The waste is sorted, refibred and spun into new yarn to create fabrics without the need for dyeing or virgin cotton. This results in savings of up to 2,700 litres of water per T-shirt produced. The company estimates that it has saved 1,911,564,060 litres of water to date. Pure Waste Textiles finalised its establishment of a subsidiary in India as a result of the Nopef-funded project. The company is investing in machines and a warehouse through its Indian subsidiary.

Collection and recycling of spilloil in Russia

In March 2019, NEFCO agreed a loan to the Finnish oil refinery company STR Tecoil Oy for collecting and recycling used industrial lubricant oil in Russia. As a result of this project, STR Tecoil is setting up a collection system in the St Petersburg and Leningrad region, with potential for later expansion to other regions. The project is in line with NEFCO's mission to support circular economy and green growth, and will improve waste management and pollution reduction in Russia.



STR Tecoil waste oil refinery plant in Hamina, Finland
Photo: STR Tecoil Oy



Climate

Photo: NEFCO

44

new projects agreed

153

active projects at the end of the year

6.7m t CO₂

avoided, which equals the emissions from all cars in Finland at annual average mileage

Climate activities in 2019

Tackling climate change has become ever more important in all parts of the world. To contribute, NEFCO mobilises investments and funding for projects and initiatives related to climate change mitigation and adaptation in close cooperation with governments, municipalities, companies and other financial institutions.

The majority of our project activity relates to renewable energy and energy-efficiency measures. During 2019, 44 new projects were agreed and at the end of the year the Climate portfolio comprised 153 ongoing projects. In addition to climate benefits, energy-efficiency and off-grid energy projects generate positive economic and social impact for the communities involved.

In Eastern Europe, we offer various types of blended financing for projects to improve energy security and help these countries reach their emission targets. In Ukraine alone, more than 30 projects to improve energy efficiency in public buildings and municipality street lighting were ongoing, of which 7 were completed and 12 new ones agreed.

In October, a new initiative to support energy-efficient district heating in Ukraine, funded by Sweden, was launched. Through the new facility, we can finance and support environmentally sustainable, energy-efficient district heating investment projects all over Ukraine. Read more at dh-ukraine.nefco.org/sweden-ukraine-dh/

A number of other programmes in Ukraine were prepared during the year. They included a Norwegian initiative that aims to scale up municipal financing for energy efficiency in public buildings, strengthen self-governance in Ukrainian municipalities and highlight sustainable procurement practices.

Another programme, supported by the EU Neighbourhood Investment Platform (NIP), seeks to improve clean water supply, wastewater treatment and energy efficiency in small and medium-sized Ukrainian cities. Both initiatives were eventually launched in early 2020.

We also co-financed a number of solar and wind power projects in the private sector, which were implemented in Ukraine during the year.

Sustainable off-grid energy business in Africa

Over 600 million people in Sub-Saharan Africa today live without access to electricity. For most of these people, connection to the grid is not likely to happen for decades or longer. So far, no country has been able to bridge the poverty gap without access to electricity. The Beyond the Grid Fund for Africa (BGFA) aims to reduce this gap by stimulating and accelerating the emergence of new business models for the provision of affordable energy access at scale whilst demonstrating sustainability over time.

In the beginning of 2019, NEFCO and the Swedish International Development Cooperation Agency (Sida) signed an agreement to cooperate on expanding off-grid electricity solutions in sub-Saharan African countries through the new BGFA facility.

The programme, implemented together with the Renewable Energy and Energy Efficiency Partnership (REEEP), supports the United Nations' Sustainable Development Goals and the Paris Agreement and forms part of the Power Africa initiative launched by former President Barack Obama.

Sweden will contribute an initial SEK 500 million (approx. EUR 48 million) to the expansion and, through its cooperation with NEFCO, is looking to attract other like-minded donors with the aim to convert the facility into a multi-donor programme over time. Read more at beyondthegridfund.africa.

Carbon funds continue to deliver emission reductions

In addition to this, NEFCO manages a portfolio of 18 on-going carbon market (CDM) projects representing a contracted value of EUR 69 million. During 2019, we took deliveries and transferred Certified Emission Reductions (CERs) corresponding to 5.4 million tonnes CO₂ reductions, from these projects to investors in the funds.

[Read more about our financing options on nefco.org.](#)



Construction of a solar park by Norsk Solar
Photo: Norsk Solar AS

Nordic solar energy plants in Ukraine

During 2019, NEFCO approved investments in several solar energy projects. Among these, Norsk Solar AS constructed a 9 MWp solar power plant close to the village of Semypolky in the Kyiv region, together with its partners Pro-Energy LLC and Windforce Ltd. The solar power plant, completed in December, is estimated to generate approx. 10,400 MWh, which will result in an annual reduction of approx. 8,600 tonnes of avoided CO₂ emissions. The plant will provide more than 5,000 households with renewable energy. Read more at nefco.org.



Arctic and Barents

Photo: Joonas Vinnari for NEFCO

2

new projects agreed

11

active projects at the end of the year

PECC-2

preparations done

Arctic and Barents activities in 2019

Due to their geographical location and vulnerability, the environmental state of the Arctic and Barents regions are of particular interest to the Nordic countries. In these regions, NEFCO focuses on cross-border cooperation to finance and support the implementation of small and medium-sized projects. The aim is to reduce environmental pollution and greenhouse gas emissions, and increase biodiversity in the region.

Cross-border cooperation in the Barents region

The main aim of the Barents Hot Spots Facility (BHSF) is to promote relevant measures and investments for the 'hot spots' identified by the Barents Euro-Arctic Council in Northwest Russia. These funds are primarily allocated to project preparation activities such as expert and feasibility studies, business and financing plans and environmental impact assessments. Over the years, NEFCO has used the BHSF and other funds to promote more than 80 specific actions related to the hot spots and other major environmental issues in the region.

In 2019, NEFCO worked closely with the Swedish Presidency of the Barents Euro-Arctic Council's Working Group on Environment and its subgroups, in particular the Subgroup on Hot Spot Exclusion (SHE). The BHSF is the main source of funding for the SHE work programme and its various support activities.

During the past year, the facility funded, among other things, a series of seminars in all the Russian Barents regions linked to the introduction of best available techniques (BAT) and a new procedure for granting environmental permits in Russia. NEFCO has worked particularly closely with the new thematic expert groups that are increasingly coordinating efforts linked to the hot spots.

Furthermore, preparations were made to facilitate the exclusion of additional hot spots at the Barents Environment Ministers meeting in early 2020. Following this, 12 full and 3 partial hot spots have been excluded of the 42 defined in 2003.

Together with the Nordic Council of Ministers, the BHSF also provides grants under the Programme for Environmental and Climate Cooperation (PECC), which is managed by NEFCO. A new call for proposals, PECC-2, was prepared in 2019 and eventually launched in the beginning of 2020.

Focus on pollution reduction and biodiversity in the Arctic

The Arctic Council Project Support Instrument (PSI) is intended for project development and preparation and demonstration projects prioritised by the Arctic Council's working and expert groups. These are mainly related to tackling climate change, reducing black carbon and greenhouse gas emissions, hazardous waste management, and enhancing biodiversity. So far, most of the project initiatives have come from the working groups Arctic Contaminants Action Programme (ACAP) and Conservation of Arctic Flora and Fauna (CAFF), but project proposals are currently also being prepared in other working groups.

In 2019, two projects totalling EUR 4.1 million were approved. Three projects were completed, four under implementation and six under contracting.

Completed projects include one in Karelia to reduce black carbon and greenhouse gas emissions through the installation of clean off-grid power stations, and another related to the first phase of a study on associated petroleum gas (APG) flaring. The third completed project comprised preparatory work within the 'Arctic Migratory Bird Initiative – Two Flyways', which enabled the coordinators for both the East Asian-Australasian Flyway and the African-Eurasian Flyway to develop crosswalk comparisons and implementation plans. The project also helped to leverage further funding for the initiative, and a new phase funded by PSI is already ongoing. The Murmansk Fisheries project succeeded in leading the work to its second phase, which is about to start with the aim to switch to more ODS-friendly technologies.

A new PSI Manual was approved by the PSI Committee (PCOM) and has been taken into use. The manual addresses procedural issues in project management, which will streamline project implementation.

PSI became operational in 2014. Following an independent evaluation of PSI, carried out in 2018, the Arctic Council decided to extend the fund's pilot phase until the end of 2021.



Red Knot is one of the breeding species in the Arctic

Photo: Morten Ekkert

Conserving Arctic birds

The Arctic Migratory Bird Initiative (AMBI) aims to improve the status and secure the long-term sustainability of declining Arctic breeding migratory bird populations. AMBI is coordinated by the Arctic Council's biodiversity working group, Conservation of Arctic Flora and Fauna (CAFF). The project funded by PSI and completed in 2019 found key conservation issues in two flyways: the East Asian-Australasian Flyway and the African-Eurasian Flyway. It was also successful in expanding its scope and gathering more resources to continue the work in a subsequent project that looks into habitat degradation and micro plastics. Read more on nefco.org.



Baltic Sea

Photo: Joonas Vinnari for NEFCO

2

new projects agreed

17

active projects at the end
of the year

979

tonnes
phosphorus reduced

4,498

tonnes nitrogen reduced

Baltic Sea activities in 2019

The Baltic Sea is one of the world's most polluted seas, and eutrophication is seen as its greatest challenge. Reducing nutrient load is essential to prevent eutrophication. The reduction of pollutants affecting the Baltic Sea has been a key priority for NEFCO since it was founded. We finance both public and private sector projects through various programmes related to, among other things, agriculture, wastewater treatment and hazardous waste within the Baltic Sea catchment area.

In 2019, two completed investment projects related to wastewater treatment, one in St Petersburg and the other in Jurmala, Latvia, have shown positive results in terms of reducing nutrient load. Numbers from 2018 show that total phosphorus (P-tot) discharges from wastewater treatment plants affecting the Baltic Sea catchment area were reduced by 941 tonnes, which is equal to the amount of discharge from untreated wastewater from approx. 1.29 million people, the same as the population of Copenhagen. The corresponding figure for total nitrogen (N-tot) was 4,498 tonnes.

Supporting the implementation of HELCOM's Baltic Sea Action Plan

The Baltic Sea Action Plan (BSAP) Fund financed by the governments of Sweden and Finland provides grants for technical assistance to projects that support the implementation of the HELCOM Baltic Sea Action Plan. The fund has an important role in speeding up the action plan and facilitating the preparation of bankable projects in the Baltic Sea catchment area.

During the past year, NEFCO received HELCOM Observer status, which allows us to follow HELCOM's work more closely, participate in its meetings and pursue common goals.

In 2019, one BSAP Fund project was completed and three projects were under implementation. A new call for proposals brought in seven new projects to be funded.

An evaluation of the fund, started in 2019 and finalised in early 2020, shows that even though assessment of the impact and sustainability of funded projects is extremely difficult, these projects have an important role in sharing concrete expertise and demonstrating practical solutions across the Baltic. For example, many wastewater projects have been accelerated as a result of the funding, particularly in Estonia, and lessons from innovative projects, e.g. recirculation of nutrients in Södertälje, provide opportunities for replication and scaling up. Moreover, funding of environmental investments irrespective of national borders have been used to plan and implement practical measures in Estonia, Poland and Belarus.

In December, to ensure its continuation, the Swedish Agency for Marine and Water Management decided to contribute an additional EUR 1.5 million (SEK 15,000,000) to the BSAP Fund.



Consumption of cyprinid fish improves the ecological state of the Baltic Sea

Photo: Shutterstock/Kuttelvaserova Stuchelova

Innovative fish project to help restore the nutrient balance in the Baltic Sea

John Nurminen Foundation (JNF) expanded its project on cyprinid fish living in the Baltic Sea for human consumption from Finland to Sweden with Baltic Sea Action Plan Fund financing in 2019. Fishing is an effective method to recycle nutrients from the Baltic Sea to land and help improve the health of eutrophied waters. Besides being a very cost-efficient measure to combat eutrophication, it provides a new revenue stream for local fisheries and a healthy and sustainable local protein source to end consumers. Read more on nefco.org.



Photo: Johannes Jansson

Governance

NEFCO is an international financial institution established in 1990 by the governments of Denmark, Finland, Iceland, Norway and Sweden. Each owner country appoints one ordinary Board member and one Alternate for six years at a time. Iceland took over the chairmanship from Sweden in March 2019. During the financial year ended, some of the Board members and Alternates changed due to changes in their ordinary job assignments.

A representative of the Nordic Investment Bank and the secretariat of the Nordic Council of Ministers may participate in the Board meetings as observers without the right to vote.

There was also a change of Managing Director during the financial year. On 1 June 2019, Trond Moe took office as new Managing Director after Magnus Rystedt, who had been NEFCO's Managing Director since 2006.

Read more about NEFCO's [governance structure on nefco.org](https://nefco.org).

Board of Directors in 2019

Denmark

Søren Bukh Svenningsen

Head of Department, Environmental Protection Agency/Ministry of Environment and Food

Alternate (until 30.6.2019): Morten Kruse

Global Anchor - Financing and High Value Projects, Ministry of Foreign Affairs

Finland

Ismo Tiainen

Director General, Ministry of the Environment

Alternate: Sannamaaria Vanamo

Deputy Director General for Eastern Affairs, Ministry for Foreign Affairs

Iceland, Chair from March 2019

Danfríður Skarphéðinsdóttir

Head of Division, Ministry for the Environment and Natural Resources

Alternate: Íris Bjargmundsdóttir

Head of Division, Ministry for the Environment and Natural Resources

Norway

Agnethe Dahl

Deputy Director General, Ministry of Climate and Environment

Alternate: Jon Opem

Senior Adviser, Ministry of Climate and Environment, Alternate

Sweden, Chair until March 2019

Jessica Andersson

Senior Advisor, Ministry of the Environment

Alternate (until 31.8.2019): Gabriel Hjort

Desk Officer, Ministry for Foreign Affairs, Alternate

Alternate (from 1.9.2019): Henrik Norman

Head of Division, Ministry for Foreign Affairs

Observers

Anders Hedberg

Senior Adviser, Finance, Nordic Council of Ministers

Søren Kjær Mortensen

Senior Director, Head of Origination, Nordic Investment Bank

Control Committee in 2019

The Control Committee is NEFCO's supervisory body, consisting of five Nordic parliamentarians, and a Chairman appointed by the Nordic Council of Ministers. It ensures that NEFCO's operations are conducted in accordance with the Statutes of NEFCO. The Control Committee is responsible for the audit of NEFCO and submits its annual audit report to the Nordic Council of Ministers.

Chairman

Jan-Erik Enestam, Minister, Independent Consultant

Denmark

Sjúrdur Skaale, Member of Parliament

Finland

Arto Pirttilahti, Member of Parliament (until 28.10.2019)

Wille Rydman, Member of Parliament (from 29.10.2019)

Iceland

Vilhjálmur Árnason, Member of Parliament

Norway

Michael Tetzschner, Member of Parliament

Sweden

Johan Andersson, Member of Parliament

Auditors

Terhi Mäkinen, Secretary to the Control Committee

Partner, Authorised Public Accountant, Ernst & Young, Finland

Mona Alfredsson

Partner, Authorised Public Accountant, Ernst & Young, Sweden



About us

The Nordic Environment Finance Corporation (NEFCO) is an international financial institution (IFI) established in 1990 by the Nordic countries Denmark, Finland, Iceland, Norway and Sweden. Our objective is to generate positive environmental impact of interest to the Nordic countries. To reach this goal, we finance and implement exclusively green growth and climate projects. Over the years, NEFCO has financed more than 1,400 private and public sector projects across different sectors in 80 countries, with a strong focus on Eastern Europe, the Baltic Sea, and the Arctic and Barents Regions.

Our headquarters is located in Helsinki, Finland.

Contact details

NEFCO - Nordic Environment Finance Corporation

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