



Arctic Biodiversity Congress

Green financing, blue economy: Investments in Arctic biodiversity

Financing green investments in the Arctic and Barents Region: The Barents Perspective

Henrik G Forsström
Senior Adviser, NEFCO

Rovaniemi, 11 October 2018



CO-OPERATION in the BARENTS

Launched in Kirkenes in 1993, by the member countries establishing the Barents Euro-Arctic Council (BEAC):

Finland, Norway, Russia &

Sweden (+ Denmark, Iceland,

the European Commission

& 9 observer countries)

- Objective: Strengthen peace, stability and sustainable development by improving opportunities for regional co-operation





CO-OPERATION in the BARENTS

3

Regional co-operation

- Unique co-operation on both national and regional levels
- 14 regions
- Provides a cross-border platform for exchange of knowledge and experience - people-to-people contacts

5 million inhabitants

(ca 100,000 indigenous)

1.8 million sq km





CO-OPERATION in the BARENTS

- Harsh climate, vast natural resources

One of the world's most vulnerable regions in terms of environmental degradation and climate change impact.

- Indigenous Peoples:

Sami, Veps, and Nenets

- Working Group of Indigenous Peoples (WGIP)
- Advisory role in all areas of co-operation



ENVIRONMENTAL CO-OPERATION in the BARENTS

Working Group on Environment (WGE)

Swedish Chair's priorities (2018-2019):

- Climate change
- "Hot Spots"
- Nature protection, water issues and regional work

Regional Working Group on Environment

carries out cooperation projects between the Barents regions in close co-operation with WGE and its subgroups.

BIODIVERSITY-RELATED PRIORITIES:

- Striving to finalise the Strategy for Protection of Intact Forests;
- taking action to preserve biodiversity and ensure the conservation of ecosystems through green infrastructure planning, knowledge exchanges and increased transboundary co-operation on concrete action;
- exchanging best practices for continued conservation and restoration of wetlands;
- co-operating on water protection and management activities, including new interregional projects;
- facilitating knowledge exchange and co-operation on tourism's impact on Barents ecosystems; and
- organising the 10th Habitat Contact Forum in Murmansk, Russia, in 2019.





ENVIRONMENTAL CO-OPERATION in the BARENTS

- WGE Sub-group on Nature Protection and Water Issues (SNPW)

"Areas of particular importance for biodiversity should be protected through ecologically representative networks of protected areas."

- The Barents Protected Area Network (BPAN) is a major initiative to safeguard biodiversity and maintain the ecosystem services of the region, including high conservation value forests;
- Bi-annual Habitat Contact Forum – an international contact forum for habitat conservation for authorities, scientists and civil society;
- Improvement of drinking water quality and sustainable management and use of transboundary water resources;
- Co-operation on wider environmental monitoring, such as the cross-border Pasvik Monitoring Program;
- Kolarctic Salmon project is an initiative to develop the knowledge-based management of the Atlantic Salmon stocks.



FUNDING ENVIRONMENTAL CO-OPERATION in the BARENTS

Various public financial mechanisms are available to support multilateral **(green)** project co-operation in the Barents Region:

- National and regional budgets of the Barents countries;
- Various EU Programmes (such as Kolarctic CBC);
- The Nordic Council of Ministers (NCM).

International Financial Institutions (IFIs)

offer financing for investment projects in the region – including NEFCO!



The main financing sources for Barents co-operation projects are listed at: www.barentscooperation.org/en/Working-Groups/Project-Funding



NEFCO FUNDING of ENVIRONMENTAL CO-OPERATION and PROJECTS



8

NEFCO is the **Nordic Environment Finance Corporation:**

- NEFCO's financing is targeted at **small and medium-sized projects (SMPs)** with demonstration value;
- All of NEFCO's activities focus on generating **positive environmental results**;
- NEFCO's financing is aimed at increasing use of the best **Nordic Solutions** in terms of experience and practices, and at serving as a forerunner enabling bigger projects and scaling-up possibilities;
- Reduction of pollutants affecting the **Baltic Sea** has been a priority of NEFCO's financing activities since the early 90's;
- As a function of its extensive fund management assignments, similar activities in the **Arctic and Barents regions** have been added;
- More lately, NEFCO has developed into a financial institution supporting **Green Growth** and the **Climate** globally.

NEFCO FUNDING of ENVIRONMENTAL CO-OPERATION and PROJECTS in the BARENTS

Targetting the "Hot Spots"

Facilitation of project development at the "hot spots" in the Russian Barents Region that were defined in a report by NEFCO in collaboration with the Arctic Monitoring and Assessment Programme (AMAP) in 2003.



Barents Hot Spots Facility (BHSF)

- An 8 MEUR trust fund managed by NEFCO for the Nordic Governments since 2005 in order to tackle the (originally) 42 environmental "hot spots" and other key environmental challenges in the Russian Barents regions.
- Primarily provision of grants to finance sector studies, pre-feasibility and feasibility studies, business and financing plans, environmental studies etc. May also finance key demonstration/pilot components.
- Ca 80 projects and other initiatives funded to date.

Barents Window (BW)

- A small trust fund to promote priorities of the Swedish Chairmanship of the Barents/WGE.



NEFCO FUNDING of ENVIRONMENTAL CO-OPERATION and PROJECTS in the BARENTS



PECC:

"Programme for Environment and Climate Co-operation"

- Financed by Nordic Council of Ministers (NCM) together with NEFCO (BHSF) to promote **environment and climate co-operation projects** between non-commercial partners from the Nordic countries and North-West Russia. The total available amount of funding for "PECC-1" is EUR 1.1 million.
- 1 project finalized, 8 under implementation – some of which with biodiversity components (related to forestry, climate and traditional and local knowledge (TLK)).
- A second call ("PECC-2") for project proposals may come in early 2019.



NEFCO FUNDING of ENVIRONMENTAL CO-OPERATION and PROJECTS in the BARENTS

Other NEFCO co-operation schemes:

➤ Northern Dimension Environmental Partnership (NDEP)

- The NDEP Support Fund was set up with contributions from many countries, including Russia, with €181.7M million allocated to environmental projects in North-West Russia and Belarus. The fund provides grants to project implementation coupled with credits from IFIs.
- In current NEFCO pipeline for NW Russia: Krasny Bor hazardous waste landfill, sludge and solid waste management projects in Russian Karelia, Black Carbon projects in Karelia and Vologda Oblast.

➤ Nordic bi-lateral support and grants

➤ Other





Thank you!

NEFCO

Phone +358 10 618 003

P.O. Box 249, FIN-00171 HELSINKI, FINLAND
Office: Fabianinkatu 34

www.nefco.org