



NEFCO / E5P

**Perspectives for
entering the
Azerbaijani market**

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Investments benefitting the environment

- NEFCO's role as a financier and NEFCO background
- E5P project potential
 - public buildings
 - street lights
 - fuel switch
 - water utility sector





NEFCO – A Nordic Financial Institution

- **NEFCO is probably the smallest among all IFI**
 - We do "small" projects i.e. 1 - 5 MEUR
 - We do "small" components of large projects
- **NEFCO's single largest concern is the environment**
 - We need to see improvements when **measuring** before and after project implementation (**CO₂, P, N**)
 - Efficient use of resources reduces costs and reduces emissions
 - Financial **and** environmental impact



Ex. Future Projects with E5P grant

- **Energy Efficiency in public buildings** like schools, hospitals and kindergartens – demand side project
 - Efficient heat generation, substations, windows, doors, wall and roof insulation, heat recovery, replacement of electrical equipment etc.
- **Experience:**
 - 30 – 40% reduction in energy consumption
 - CO₂ emissions reductions, around 800 t/a per MEUR
 - 7 "schools" or approx. 12.000 m² per 1 MEUR
 - 7 – 9 years payback time





Ex. Future Projects with E5P grant

- **Street light projects – LED**
 - Experience
 - 40 – 50 % reduction in energy consumption
 - CO2 emissions reductions, around 1500 t/a per MEUR
 - 550 replacements per 100.000 EUR
 - fittings, lamps, cables etc.
 - 5 – 7 years payback time
- Pumping stations (Water and Waste water utilities)
- Fuel switch projects like land field gas extraction, biomass, renewables, small scale hydro etc.
- Energy efficiency measures in WWTP, like aeration eq.



NEFCO in a nutshell

- Nordic financial institution established in 1990 by Denmark, Finland, Sweden, Norway and Iceland
- Financier of projects with environmental benefits
- 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 460 million
- Countries of operation: Ukraine, Russia, Belarus, Baltic States, Moldova, Georgia, Armenia
- A framework agreement between NEFCO and the Ukrainian government was signed in 2010, with Belarus and Georgia in 2014



Project experience

- Energy Saving Credits – small municipal EE-projects in Russia and Ukraine
- Private sector, sharing risk and gaining environmental benefits together with Nordic investors
- Public sector, E5P and NDEP – Northern Dimension Environmental Partnership

