

# Nordic Climate Facility

New Nordic climate initiative for developing countries

The Nordic Climate Facility finances projects that have a 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 owned by the five Nordic countries. Over the last 20 years NDF has provided soft loans totalling approximately 1 billion euro to developing countries. Starting in 2009, NDF provides grant financing for climate change related interventions in the low-income countries. → [www.ndf.fi](http://www.ndf.fi)

**The Nordic Environment Finance Corporation (NEFCO)** is an international financial institution owned by the five Nordic countries, which primarily finances environmentally related projects in Russia, Ukraine, Estonia, Latvia, Lithuania and Belarus, in order to generate positive environmental effects for the Nordic region. As of October 2009, NEFCO administers environmental investment funds with a total value of 353 million euro. In 2008, climate related projects financed by NEFCO reduced carbon dioxide emissions by 1.5 million tonnes. → [www.nefco.org](http://www.nefco.org)

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The Nordic Development Fund (NDF) has, initially, decided to grant 4 million euro for the Nordic Climate Facility (NCF). Beginning in October 2009, project proposals related to two areas - water resources and energy efficiency, can be submitted to NCF for funding. The facility can provide 150,000 to 500,000 euro per project as grant financing for climate change related projects in low-income countries in Africa, Asia and Latin America.



Providing clean water is one of the key areas of the Nordic Climate Facility.

#### Mission

NCF encourages and promotes technological innovation in areas susceptible to climate change such as: energy, transport, water and sanitation, health, agriculture, forestry as well as other areas related to natural resource management. Once every year, NCF calls for innovative proposals comprising specific themes related to climate change. The best proposals may receive grant financing amounting to between 250,000 and 500,000 euro, or, in exceptional circumstances, between 150,000 and 250,000 euro. The projects should have an implementation period of less than 24 months.

#### The main themes

The calls for proposals are based on two main themes: adaptation to and mitigation of climate change. Climate change adaptation proposals may be related 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 utilizing energy efficiency technologies, substituting fossil fuels for environmentally-sound renewable sources, and carbon sequestration.

The climate change themes vary each year. The themes for the 2009 call for proposals will be water resources and energy efficiency. The planned themes for the second year are disaster management systems and biomass energy. Infrastructure management and solar energy development will comprise the main themes for year three. The final decision regarding the focus for the following two years will be based on the results and experience gained from the first year.

#### Who can apply?

Financing can be granted to Nordic institutions, organizations, companies, authorities and municipalities, which have established cooperation with a partner in an eligible low-income country.

The low-income countries eligible 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

#### Key requirements

Applications should, 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.

The applicant should provide relevant, detailed information on the environmental and developmental impact of the proposed project. For proposals related to climate change mitigation, the applicant shall provide detailed information on the expected measurable reductions of carbon dioxide emissions. As regards projects related to climate change adaptation issues, the applicant should give a detailed description of the urgency and, if applicable, some assessment of what the results of inaction might lead to. Applications indicating high local commitment will raise the applicant's overall assessment score.

For more information, please turn to the links below:

→ [www.ndf.fi](http://www.ndf.fi)  
→ [www.nefco.org](http://www.nefco.org)

Indications of interest should be sent to:  
→ [ncf@ndf.fi](mailto:ncf@ndf.fi)



Irrigation of farmland. Droughts are expected to increase in the Southern hemisphere as a result of climate change.



Solar power. Exploiting the sun to combat climate change.