



**ENHANCING  
COMPETITIVENESS AND  
THE ENVIRONMENT**

**ENERGY EFFICIENCY SEMINAR Vilnius 24.11.2009**  
**Financing solutions**

Lars Selenius

Senior Director, Head of Area



## Agenda

- NIB: About NIB
- NIB in The Baltic Countries
- NIB and energy
- Energy efficiency 2009 – What can NIB do?

# Northern Europe's International Financial Institution

- Nordic and Baltic countries as owners
- Started activities in 1976
- Baltic countries joined in 2005
- AAA/Aaa credit rating
- Lending in member countries and emerging markets
- Headquarters in Helsinki
- [www.nib.int](http://www.nib.int)



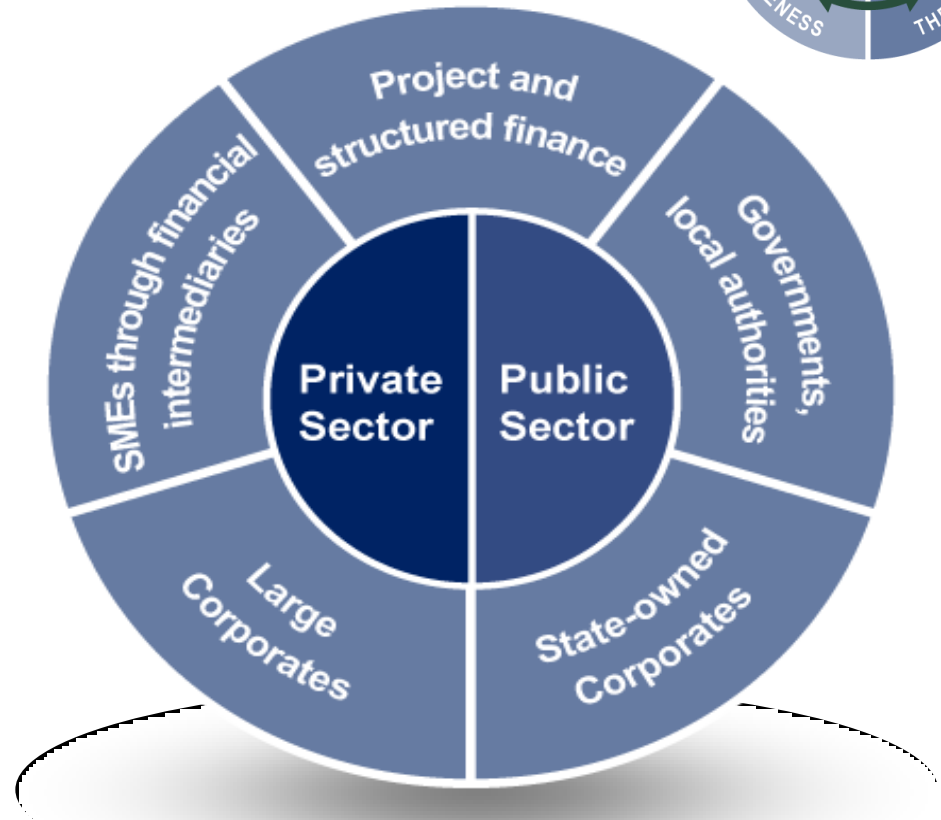
## Promoting sustainable growth



# Strengthening competitiveness

## Focus Areas:

- Energy
- Environment
- Infrastructure  
incl. energy, transport,  
telecoms, social infrastructure
- R&D and innovation





## Outstanding loans 31.12.2008

Loans outstanding as of 31 December 2008, in EUR m

	EUR m	Share
Estonia	273,6	4 %
Latvia	325,3	5 %
Lithuania	67,3	1 %
Finland	2 699,5	43 %
Sweden	2 946,3	47 %
<b>Area II</b>	<b>6 311,8</b>	<b>100 %</b>
Area I	3 793,4	
Area III	924,1	
Area IV	1 985,5	
<b>Total loans</b>	<b>13 014,7</b>	



# NIB-financed energy projects

In total more than 200 projects, some examples:

## Generation

Eesti Energia, Estonia

Vattenfall, Sweden

Latvenergo, Latvia

TVO; Finland

Elektrovnia Turow, Poland

Tampere mply, Finland

Narva oil shell power plants

Hydropower

Hydropower

Nuclear power

Refurbishment, lignite fired plant

Gas fired CHP



# NIB-financed energy projects

## District heating, CHP and Energy Saving

PVO, Finland

A large number of CHP projects in cooperation with industrial plants.

HNG, Denmark

Gas fired CHP + pipes in Copenhagen

Latvia

Rehabilitation program for small district heating systems

Lithuania

School energy efficiency program

Russia

Murmansk district heating rehabilitation





# NIB-financed energy projects

## Transmission and distribution

Estlink, Estonia

Transmission line between Estonia and Finland

Fingrid, Finland

Large number of projects in development of the national grid

Energinet, DK

Transmission system between wind park and grid

Latvenergo

Upgrade of transmission and distribution networks



# Energy Efficiency – How can NIB help?

- Project identification
- Financial solutions



# Project identification

- Buildings
- District heating, cogeneration
- Efficiency investments in industry

# Financial solutions

## Public sector

- Borrower state or municipality or guarantee by state or municipality
- Long term loans, maturities up to 20 years
- Flexible financial and collateral set-up
- Plant competitiveness requirement



# Financial solutions

## Private sector

- Long term loans, maturities 5-15 years
- Flexible financial set-ups, fixed/floating rates etc.
- Flexible collateral arrangements, based on corporate risk
- Competitive market terms and conditions

## Requirements:

- Equity portion
- Total financing package
- Covenant structure
- Acceptable risk structure



# Financial solutions

## Project Finance set-up

- Ownership can be private or public/private
- Project cash-flow related risk
- Strict loan agreement, covenant structure
- All assets pledged
- Repayment according to cash-flow expectations
- Thorough analysis, strict follow-up



# Baltic Sea Region to be an integrated Electricity Market



Cross-border transmission - New lines under planning

NORDIC INVESTMENT BANK

Conclusion: Baltic Sea Region (NIB Member countries, Poland, Germany, Ukraine, North-West Russia, Belarus) to become a single regional electricity market supported by EU policy and security of supply targets.

