NORDIC INVESTMENT BANK

FINANCING THE FUTURE

## Baltic Blue Bond

Additional focus/finance on Blue Economy

Blue Economy Investment Opportunities for Baltic Sea solutions, 13 June 2019





## **NIB Environmental Bonds** Project evaluation and selection

#### 2 5 3 4 6 **Review of Mandate Rating Rating Scale NIB Environmental Bond NEB Fund Pool** Reporting **Ex-post** environmental and Framework mandate social risks Straight link Annual report assessment ENVIRONMENTAL BENEFITS Excellent We confirm projects' eligibility on the allocation of between NEB We confirm that there against a set of criteria within the proceeds and NEB proceeds and After three years, are no significant Good following project categories: disbursements to the impact of NIB will carry out Pollution reduction environmental or ► Energy efficiency eligible projects. projects financed. an ex-post social risks connected assessment of to the project. Renewable energy generation Preventive measures financed projects ► Transmission, distribution regarding the and storage systems fulfilment of the Resource efficiency ▶ Clean transport solutions Bank's mandate. (incl. circular economy) Resources and waste Climate change mitigation management systems ► Water management and protection ► Green buildings NB NÌB == = NIB Mandate Rating Sustainabilit Policy and Guidelines

## **NIB Environmental Bonds** Project categories and impact 2011-2018



## **The Nordic-Baltic Blue Bond** Why?

- The Nordic–Baltic region is rich in water resources, but human activity is putting pressure on marine and coastal waters.
- Objective: Good environmental state of the Baltic Sea by HELCOM Baltic Sea Action Plan and EU's Marine Strategy Framework Directive.
- NIB has long been playing an important role in the protection of the Baltic Sea.
- Investors are conscious of the challenges the Baltic Sea is facing. The blue bond enables them to target investments addressing those.

SEK

0.375% Bond due 2024 NEB – Blue Bond



## The Nordic-Baltic Blue Bond Projects financed

## Projects within Water management and protection category:

Wastewater treatment and pollution prevention Reducing discharges into water

**Stormwater systems and flood protection** Climate change resilience, pollution prevention

#### Protection of water resources

Minimize groundwater extraction and pollution, improve replenishment of aquifers

#### **Protection and restoration of water ecosystems** Restoring, protecting and extending ecosystems and biodiversity

#### ▶ Projects financed:

#### Turku, Turun Seudun Puhdistamo

EUR 15mn, new wastewater removal channel to limit the amount of untreated discharges into the Baltic Sea during heavy rainfall

**Stockholm, Nya Slussen project** EUR 33mn, expansion of water locks, flooding mitigation

#### City of Luleå, waste and drinking water

EUR 13mn, construction of additional digester, bio-fuel upgrade to reduce methane emission, new sewage pipeline, upgrade of drinking water treatment plant

**Municipality of Tanum, waste and drinking water** EUR 4mn, Improve collection and sewage system, extension of the drinking water treatment plant

**Vestfjorden Avlopsselskap, wastewater treatment** EUR 62mn, Upgrade and expansion of wastewater treatment plant



Turun seudun puhdistamo Oy Turku, Finland

## Wastewater treatment modernisation

The loan is for modernising an existing wastewater treatment plant. The project will separate the wastewater and stormwater discharge systems, enabling the utilization of the full wastewater treatment capacity during extreme weather conditions. It will reduce the overflows of untreated wastewater as well as the nutrient and microbiological load on the environment. The microbiological load will be further reduced by installing effluent disinfection units.

Due to climate change, the heavy rainfalls are predicted to become more common and the maximum sea level to rise in the future.

Disbursed: EUR 15 million Average maturity: 30 years (100% Water management and protection)



#### Nya Slussen, Stockholm, Sweden

## Reshaping Slussen in Stockholm

Financing clean transport solutions at the Slussen traffic hub, and the redevelopment of the Slussen water locks.

The expansion of the water locks will increase the drainage capacity and accommodate higher floodgates by adding two larger water channels beside the locks.

The Nya Slussen redevelopment project is a crucial flooding mitigation measure that will allow Stockholm and the Mälar region to prepare for the effects of rising sea levels and more extreme weather conditions in the future.

Disbursed: SEK 500 million Average maturity: 10 years (68% Water management and protection 32% Clean transport solutions)



### **Challenges of the Baltic Sea I**



#### Climate change







Source: stateofthebalticsea.helcom.fi



### **Challenges of the Baltic Sea II**





Seafloor litter items per category in different sub-basins proportion by number of items



NB

Source: stateofthebalticsea.helcom.fi









## **Future solutions?**





Climate change adaptation



# Thank you

SUSTAINABILITY AND MANDATE

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