

## **Possibilities of applying for a loan from the Nordic Investment Bank (NIB)**

### **1. What are the financing objectives of the NIB?**

#### **The NIB focuses on the following sectors:**

- Environmental sustainability (Two new lending facilities BASE and CLEERE)
  - *Regional level:* Baltic Sea area and its drainage basin – eutrophication and acidification resulting from air emissions and wastewater discharges
  - *Global level:* Combating climate change through the reduction of emissions of greenhouse gases
- Renewable energy
  - Biomass (usually with a combined heat and power output)
  - Wind-power (both land-based and off-shore)
  - Geothermal- and hydro power
- Energy – Cost-effective, safe and sustainable energy production, distribution and transmission:
  - Energy efficiency
  - Combined heat and power generation
  - Improvement of electricity distribution and transmission networks, smart grids.
- Transport, logistics and communications
  - Road- and railway-investments
  - Modern communication solutions
  - Establishment of logistic centres
- Innovation
  - Research- and development projects
  - Technology development

### **2. What are the main benefits of an NIB loan?**

- Competitive market based interest rates – The interest rate is set on a fixed or floating basis, as preferred by the borrower.
- Large loan amounts over long maturities and in all major currencies.
- NIB extends long-term loans (maturity varies depending of cash flow needs, borrower and financing structure; for public infrastructure investments up to 20-30 years).
- NIB may assist its customers with project and structured finance, for example using the Public Private Partnership model. NIB has experience in complex financing structures working in cooperation with other international financial institutions and public- and private-sector lenders.
- The proceeds of NIB loans can be used to cover any part of projects costs.

### **3. Who can benefit from an NIB loan?**

NIB grants long-term loans and guarantees to public and private companies and the public sector in and outside the Bank's member countries (Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden). Financing for small and medium-sized companies is channelled through intermediaries.

### **4. What are the principal lending facilities of the NIB?**

The NIB has three main loan facilities:

- Ordinary Lending, which is mainly directed towards the member countries.

Project Investment Loans (PIL) provide long-term financing to creditworthy projects in emerging markets and transition economies. The purpose of this loan

facility is to finance projects of joint interest between the project country and the member region of the bank.

- Environmental Investment Loans (MIL) are granted for financing public and private sector environmental projects in the neighbouring regions of the member countries.

#### **5. What is the procedure for obtaining an NIB loan?**

Applications for a loan should be directed to NIB's Lending Department. There are no standard forms for a loan application. Loans through financial intermediaries are processed by these institutions and the application should be presented directly to the intermediary.

#### **6. How is a project evaluated and how long does it take?**

A decision to grant a loan is made by the Board of Directors, after preliminary approval by the Credit Committee. NIB's President is authorised by the Board to make certain lending decisions. Every loan application is subject to NIB's internal appraisal procedure to assess the viability of the project, including an environmental review, as well as the creditworthiness of the borrower and other aspects of credit risk. The time required for this process varies depending on the complexity of the matter and the quality of information made available to the bank, but a minimum is 2-3 months.

#### **7. What are the main conditions of NIB lending?**

The NIB provides loans on commercially sound banking terms, i.e. repayable loans and guarantees with no subsidy element. NIB does not provide grants or financial aid. An NIB loan or guarantee for a project should generally not exceed 50 per cent of the total cost of the project.

NIB loans are always granted for a special purpose, i.e. a project.

NIB loans are usually used for the financing of larger projects. Normally, the minimum value of total project has to be at least EUR 10 million and typically projects amount to more than EUR 30 million. NIB channels financing to projects of small and medium-sized enterprises through intermediaries.

#### **8. Whom to contact when applying for a loan from the NIB?**

For further information on loan application, please contact the Lending Department [http://www.nib.int/contact\\_us?subjectId=2](http://www.nib.int/contact_us?subjectId=2). (<http://www.nib.int>).

#### **Contact details at the JTS:**

Elena Kolosova

Project Officer

Baltic Sea Region Programme 2007-2013, Joint Technical Secretariat

Elizabetes street 19, 1010 Riga, Latvia

Tel: +371 6 735 06 46

Fax: +371 3 735 73 72

Email: [elena.kolosova@eu.baltic.net](mailto:elena.kolosova@eu.baltic.net)

Updated 27.09.2011