

# East Europe Project

## — Cooperation for the better environment

Av Timo Mäkelä.

Timo Mäkelä er ansatt i Miljøverndepartementet i Finland.

Finland is aiming at joint environmental projects in neighbouring regions in eastern Europe. Joint projects are part of Finland's active international environmental policies.

### **Priority projects deal with air pollution abatement, the protection of the Baltic Sea and the management of hazardous wastes**

When cooperation projects to be supported are chosen, priority will be given to undertakings having an effect on airborne and waterborne pollutants reaching Finland and the Baltic. Another field of priority is the management of hazardous wastes.

Typical projects to be supported include among others:

- renewal of incineration techniques and desulphurization equipment in power plants;
- steps to reduce industrial process discharges;
- renovation of municipal sewage treatment plants to include phosphorous removal;
- pretreatment of industrial effluents containing heavy metals and toxic substances;
- systems for collecting and treating hazardous wastes;
- treatment and utilization of sewage sludge from the food industry; and
- joint manufacture of equipment required in projects of an urgent nature.

### **Cooperation projects can be offered support and interest subsidies**

The Finnish Ministry of the Environmental may allocate financial support and related interest subsidies to environmental protection projects located in Eastern Europe in areas affecting Finland. Support may be allocated to investment projects, pilot projects and projects preparation in neighbouring regions in the Soviet Union.

Support will be based on the following conditions:

- *local enterprises, authorities and institutions should be in charge of overall project implementation;*
- *Finnish environmental protection technology and/or know-how shall be utilized in projects receiving Finnish support;*
- *project preparation will only be supported when the project contributes to solving environmental problems of particular importance to Finland.*

The total amount of support will not exceed 50% of project costs, which include actual building, labour, equipment, planning and initial training. Running and maintenance costs and local costs are exempt from support.

Assistance to pilot projects and project preparation may amount to 80% of the costs at most. The preparation assistance must be repaid once agreement has been reached on.

Interest subsidies in project imple-

mentation credits may be accorded at a rate of 4% during the first four years and at 2% during the following four years. The maximum loan period is 15 years.

The Ministry may also support projects promoting environmental protection training, environmental administration, the control of emissions and monitoring of the state of the environment.

The Ministry of the Environment will decide separately on support for training and development projects. In general such projects should be part of more extensive programmes.

Applications for financial support and interest subsidies should be addressed to the Ministry of the Environment, Finland.

Decisions on financial support and interest subsidies are made by the Ministry of the Environment.

Applications should contain:

1. *Information on the applicant, the project, its wider context, and the sum applied for.*
2. *Information on technical and economic project implementation.*
3. *Project timetable and overall programme implementation.*
4. *The environmental impacts of the project and its significance for environmental protection.*

Any application for financial support should be preceded by a feasibility study, which should include a technical and economic feasibility report and an assessment of environmental consequences.

Recipients of support and/or interest subsidies should send project progress reports to the Ministry of the Environment for supervision of the utilization of funds.

### **Applications for support for environmental project in Poland shall be made separately**

Support for environmental projects in Poland is tied to Finnish know-how and technology insofar as it may amount to 30% of the value of Finnish environmental technology exports. This support is intended to cover the local costs of such exports in Poland, comprising, e.g., installation, construction and planning.

The Finnish Ministry of the Environment will decide on the projects to be supported. Applications should be addressed to the Finnish-Polish environmental project group, whose secretariat is located at the Finnish Guarantee Board.

### **Other financing for environmental projects in Eastern Europe**

Founded in the autumn of 1990, the Nordic Environmental Finance Corporation (NEFCO) works in conjunction with the Nordic Investment Bank in Helsinki. NEFCO finances joint ventures established for the production or other cooperation between enterprises promoting the transfer of environmental technology from the Nordic countries to Eastern Europe.

The Nordic Project Export Fund (NOPEF) finances studies and investigations facilitating the activities of Nordic environmental protection enterprises in Eastern Europe. Financing is generally restricted to Nordic enterprises. Some international financing institutions are participating in the drawing up of an action and investment programme to intensify environmental protection in the Baltic area. The Nordic Investment Bank, the European Bank for Reconstruction and Development, World Bank and the European

Investment Bank have also shown interest in financing major environmental investments in the Baltic area.

#### **Administration**

On 1.10.1990, the Finnish Ministry of the Environment established a project unit for Eastern Europe, to prepare and administer the new economic environmental protection cooperation with countries in Eastern Europe. The Ministry has also set up a support working group which includes representatives of various authorities and organizations, to develop and coordinate Finland's environmental assistance. Another working group has been set up for environmental cooperation with Poland, with secretariat located at the Finnish Guarantee Board.

*Additional information on various types of assistance and applications for assistance may be obtained from:*

The Ministry of the Environment  
East Europe Project Unit  
P.O.Box 399, 00121 HELSINKI,  
Finland  
Telephone +358-0-19 911  
Telefax +358-0-199 1499  
Telex 123 717 ymin sf

The Finnish Guarantee Board  
Secretariat of the Finnish-Polish  
Environmental Project Group  
P.O.Box 1010 00101 HELSINKI,  
Finland  
Telephone +358-0-134 111  
Telefax +358-0-651 181  
Telex 121 778 vtl sf