

## Natural Capital Financing Facility (NCFE)



The Natural Capital Financing Facility (NCFE) is a financial instrument that combines EIB's financing and the Commission's funding under the LIFE Programme—Programme for the Environment and Climate Action. HBOR is the first national development bank in the EU to help implement NCFE.

Loans under the NCFE are approved by HBOR pursuant to internal documents and terms and conditions of loan programmes in effect. In supplement to this, the additional terms and conditions delineated in this leaflet shall apply to the loans issued under the NCFE.

<b>Purpose of Loans</b>	NCFE loans finance projects that contribute to the conservation and sustainable use of natural capital, as well as adaptation to climate change by using natural-based solutions. These are projects that generate revenue or cost savings for their investors, making these investments financially profitable and viable over the long-term. They include green infrastructure projects, green entrepreneurship, payment for ecosystem services and biodiversity offsets and compensation.
<b>Procedure</b>	Direct lending to borrowers – application and related documentation, including the environmental questionnaire, shall be submitted to HBOR by the borrower
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>• From EUR 40,000.00 to EUR 12,500,000.00, i.e. respective HRK equivalent value             <ul style="list-style-type: none"> <li>- In case of loans under the EU Projects loan programme, the sum of loan amounts under the NCFE and grant amounts must not exceed 100% of total investment costs for private sector entities that employ fewer than 3000 employees, or 90% of total investment costs for private sector entities that employ at least 3000 employees and for public sector entities</li> </ul> </li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• Public sector entities: Interest rate charged under the loan programme minus 1.00 p.p.</li> <li>• Private sector entities:             <ul style="list-style-type: none"> <li>- Projects with a high contribution to conservation and sustainable use of resources*: interest rate charged under the loan programme minus 1.00 p.p.</li> <li>- Projects with a medium impact on the conservation and sustainable use of natural capital, and/or adaptation to climate change by using natural-based solutions: interest rate charged under the loan programme minus 0.50 p.p.</li> <li>- Projects with a low impact on the conservation and sustainable use of natural capital, and/or adaptation to climate change by using natural-based solutions: interest rate charged under the loan programme minus 0.25 p.p.</li> </ul> </li> </ul>
<b>Fees</b>	<ul style="list-style-type: none"> <li>• Loan application fee: 0.40% (minimum HRK 500.00) on the contracted loan amount, one-off, collected before loan disbursement</li> <li>• Commitment fee: no fee</li> <li>• Other fees: pursuant to the Ordinance on Fees for HBOR Services in effect on calculation date</li> </ul>
<b>Repayment Period</b>	<ul style="list-style-type: none"> <li>• Public sector entities: minimum 5 years, grace period included</li> <li>• Private sector entities that employ fewer than 3000 employees: minimum 2 years, grace period included</li> <li>• Private sector entities that employ at least 3000 employees: minimum 4 years, grace period included</li> </ul>

The NCFE credit line shall apply to the applications received by HBOR starting from 7th February 2020. For further information on the HBOR NCFE instrument, please see the brochure on the HBOR website [here](#).

\* An assessment of the level of the project's impact on environmental conservation and sustainable use of resources is part of technical support services provided by external experts.