



Nordic Development Fund

PUBLIC

Minutes from the meeting III/2025
on 30 September 2025 in Hanasaari, Espoo

Participants: voting members:

Anders Ørnemark, Denmark (Chair)
Anna Merrifield, Finland
María Erla Marelsdóttir, Iceland
Hans Olav Ibrenk, Norway
Henrik Bergquist, Sweden

Other participants:

Johan Ljungberg, NIB (Observer)
Satu Santala, NDF
Leena Klossner, NDF
Christina Stenvall, NDF (Secretary)
Jesper Andersen, NDF
Malena Rosman, NDF
Mari Rasilainen, NDF
All NDF staff (item 3.)
Taru Saarinen, NDF (items 3. and 4.)
Mats Slotte, NDF (items 3.-6.)
Teemu Blomqvist, NDF (item 5.)
Sofia Chaichee, NDF (online) (item 5.)
Anu Hassinen, NDF (item 5.)
Amanda Hajnal, NDF (online) (item 5.)
Morten Holm van Donk, NDF (item 5.)
Päivi Kuitunen, NDF (online) (item 5.)
Ole Stubdrup, NDF (item 5.)
Hanna Uusimaa, NDF (online) (item 5.)
Michelle Voon, NDF (item 5.)

1. Quorum and adoption of the agenda

The meeting was called in accordance with the Rules of Procedure for the Board of Directors. The meeting constituted a quorum.

The Board adopted the agenda to include the item Proposed 2026 Board meeting dates under point 10. Other items.

2. Approval of Board minutes

2.1 Minutes of the Board meeting II/2025 on 10-11 June 2025

Henrik Bergquist had proposed minor technical amendments to the uploaded draft minutes. The amended draft minutes have been uploaded on Board portal on 9 September 2025.

The Board approved the minutes of the Board meeting II/2025 on 10-11 June 2025.

3. Update on recent NDF activities

Satu Santala, complemented by Leena Klossner presented the agenda item based on a Power Point presentation that had been uploaded on the Board portal on 26 September 2025.

Topics discussed included e.g.

- The upcoming Nordic Climate Dialogue Event,
- NDF's Results Report having been mentioned by OECD to be an example of best practices,
- NDF's podcast series.
- Ongoing IT development focusing i.a. on data management improvements to provide more granular data and the practical application of AI
- Trainee opportunities and the definition of target audiences for communication activities.

The Board took note of the presentation on recent activities.

4. Revised Strategy document

Leena Klossner presented the agenda item, which included a Power Point presentation containing also financial scenarios for illustrative purposes.

The revised Strategy document had been prepared following the earlier guidance provided by the Board during the strategy development process, including workshops and the discussion on elements and strategic choices in the context of the Board meeting in June 2025. The documents had been uploaded on the Board portal on 9 and 26 September 2025.

Following the presentation, a discussion took place on the following topics as summarised

- Shared Nordic values and priorities underlying NDF's strategic direction.
- Importance of cooperation with member countries and Nordic partners.
- Focus areas and setting targets for adaptation / mitigation and considering qualitative goals.
- Financial innovation and private sector mobilisation.
- Geographic scope and mission focus.
- NDF's financial sustainability going forward.
- Format and structure of the revised strategy, with preference for a concise strategy document.

The Board discussed the first draft of the NDF Strategy 2030 and provided NDF's administration guidance for preparation of a next draft.

The Board decided on the following way forward

- 1) written comments on the draft NDF Strategy 2030 now presented, shall be provided to the administration by 8 October 2025,*
- 2) based on input from today's meeting and the written comments to be provided, the administration shall by the end of October 2025, provide the Board with a next draft version of the NDF Strategy 2030,*
- 3) a virtual extra Board meeting on the subject will be arranged in the week beginning 3 November 2025,*
- 4) the deadline for providing the Board with a final draft of the NDF Strategy 2030 is extended to 17 November 2025.*

A closed session was conducted exclusively for Board members and Managing Director Satu Santala.

5. Operational activities

5.1 Project origination update and project proposals having received Clearance in Principle

Malena Rosman presented the general status of project origination.

Anu Hassinen told about lessons learned on a multiregional private sector financial intermediary related project, which had been cancelled.

A discussion followed on

- The importance of recognising when project conditions are no longer favourable and the value of lessons learned from projects that do not materialise, especially in the context of risk-taking.
- NDF's criteria for assessing partners, especially their alignment with established standards like those of the IFC.

Three projects that had passed clearance in principle (CiP) since the last Board



meeting were presented as follows.

1) Michelle Voon presented a multiregional private sector project targeting smallholder and community livelihoods resilience, while enhancing biodiversity and ecosystem services.

A discussion followed

- Emphasising that the issue area in question is one where the NDF has a role to play and where a project would in principle meet the criteria for an exception concerning Upper Middle-Income Countries.
- On addressing sustainable forestry, with specific reference to the project's operational scale and structure, as well as integrated certification, focusing on biodiversity and forestry management practices that comply with recognised standards.

2) Teemu Blomqvist presented a private sector project with focus on LCDs and LMICs in Eastern and Southern Africa targeting climate change adaptation and resilience for food security through investments in early-stage SMEs.

Following the presentation, strong support was expressed for the project focused on smallholder farmers and an African partner.

3) Morten Holm van Donk and Ole Stubdrup presented Community Action for landscape Management Program 2 (CALM-2).

A discussion followed on

- the project's positive carbon financing approach and potential for strong Nordic embassy relations.
- NDF's relatively small financial contribution compared to other funders.
- Governance issues, including NDF's representation and concerns about conflict risks in Ethiopia.

1. *The Board took note of the portfolio origination status.*
2. *The Board provided initial feedback on the three projects that have passed CiP since the previous Board meeting.*
3. *The feedback from the Board will be addressed in the following steps in the origination phase, i.e. Screening and Appraisal.*

5.2 Projects for final approval

5.2.1 Zafiri (M300 DRE Equity Vehicle)

Anu Hassinen presented the agenda item.

Following the presentation, a discussion took place as summarised:

- The discussion highlighted that the project is very ambitious and that relevant risk mitigation work had been carried out in the project's preparation, especially with regard to countries where high political risk could affect operational integrity, such as Burkina Faso and Mali. It was noted that Zafiri will invest in projects and private sector companies.
- The demand for equity investments in Sub-Saharan Africa was noted, referencing recent developments and transactions with international financing institutions.
- There was a positive note on the approach to gender issues, and hope expressed that successful integration would eventually reduce the need for public interventions.

The Board approved up to USD 15 million equity and USD 2 million grant financing to the project C176 - AFRICA – M300 DRE EQUITY VEHICLE (ZAFIRI), with the objective to support Decentralised Renewable Energy companies in Sub-Saharan Africa provide electricity and clean cooking access for at least 30 million people.¹

5.2.2 Proposal for Climate Innovation Challenge Fund (C179)

Malena Rosman, accompanied by Michelle Voon, presented the agenda item.

Following the presentation the discussion centred on

- The suitability of challenge funds for climate action.
- Inherent risks and potential of such funds.
- How to ensure that the fund or service provider selects the most promising projects.
- Whether technical assistance could be converted into equity.
- Appreciation that consultations had taken place among the five members countries as potential future donors to the fund.

¹ As always, NDF's financing is subject to the conclusion and entry into force of contractual arrangements satisfactory to NDF.



The Board approved that:

- 1. NDF will establish and act as Fund Manager to the Climate Innovation Challenge Fund, which will be a multi-donor trust fund. The Fund aims to support innovators with proven climate solutions for implementation in Sub-Saharan Africa and Asia to benefit vulnerable communities and ecosystems.*
- 2. NDF will be a donor to the Climate Innovation Challenge Fund contributing with a grant of EUR 10 million to the Fund.*

The Board took note of

- 1. the related Final Project Proposal and the draft Project Activity Document.*
- 2. That the Board will be informed about the outcome of the inception phase, including assessments against NDF's legal framework.*

6. Financial and other reporting for information

6.1 Overview NDF's financial sustainability and administrative budget as per 30 June 2025

Mats Slotte accompanied by Jesper Andersen presented the agenda item.

Following the presentation, there was a discussion about the impact of single-country projects and the importance of careful communication around debtor countries in financial distress.

The Board took note of the overview of NDF's financial sustainability and administrative budget as per 30 June 2025 and the additional oral information provided in the meeting.

7. Legal and governance matters

7.1 Persons authorised to sign on behalf of NDF

Christina Stenvall presented the agenda item.

The Board authorised in accordance with Section 8 of the Statutes



Siv Ahlberg

Jesper Andersen

Teemu Blomqvist

Amanda Hajnal

Anu Hassinen

Leena Klossner

Päivi Kuitunen

Isabel Leroux

Jacob Lorentzen

Malena Rosman

Mats Slotte

Christina Stenvall

Ole Stubdrup (ending 14 October 2025)

Jussi Viding

Michelle Voon

Lillemor Westerholm

to sign on behalf of the Fund, two together or jointly with one of the persons mentioned in Section 8 of the Statutes, and as further instructed in the Signing Authority Rules adopted by the Managing Director.

All previous authorisations to sign on behalf of NDF have been repealed.

7.2 Nordic Council of Ministers' decision on approval of 2024 Annual Accounts

Christina Stenvall presented the agenda item.



The Board took note of that the Nordic Council of Ministers had in its meeting on 10-11 June 2025 approved the 2024 Annual Accounts of NDF.

8. Outreach and communication matters

8.1 NDF Semi-annual Outreach Report, January-June 2025

Leena Klossner presented the agenda item based on a PowerPoint presentation.

The report was well received and the importance of the annual Results Report stressed.

The Board took note of the Semi-Annual Outreach Report 2025.

9. Next Board meeting

Christina Stenvall presented the agenda item.

The Board took note of that the next Board meeting will be held on 2-3 December 2025 in Helsinki, Finland. In connection with the Board meeting, NDF will on 2 December organise a joint dinner for the Board and NDF staff.

10. Other matters, proposed 2026 Board meeting dates

Christina Stenvall presented proposed dates for Board meetings in 2026.

The Board members were expected to get back to the Secretary in two weeks' time with proposals for alternative meeting dates, should the proposed dates not be suitable.

In fide

SATU SANTALA
Satu Santala
Managing Director

CHRISTINA STENVALL
Christina Stenvall
Secretary to the Board of Directors

Confirmed

ANDERS ØRNEMARK
Anders Ørnemark
Chair of the Board of Directors