



Nordic Development Fund

PUBLIC

Minutes from the meeting IV/2024
on 3-4 December 2024 in Helsinki

Participants: voting members:

Anders Ørnemark, Denmark
Johanna Pietikäinen, Finland
María Erla Marelsdóttir, Iceland
Anne Sofie Bjelland, Norway
Henrik Bergquist, Sweden

Other participants:

Geir Oddson, Iceland, alternate
Satu Santala, NDF
Leena Klossner, NDF
Christina Stenvall-Kekkonen, NDF (Secretary)
Jesper Andersen, NDF (items 1.- 4. and 7.1)
Malena Rosman, NDF
Mari Rasilainen, NDF
Mats Slotte, NDF (items 3.- 4. and 7.1)
Siv Ahlberg, NDF (item 5.2.1)
Anu Hassinen, NDF (item 5.2.1)
Teemu Blomqvist, NDF (item 7.2)
Michelle Voon, NDF (item 7.2)

1. Quorum and adoption of the agenda

An introductory round of participants was held, welcoming the new Icelandic Board members.

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.

2. Approval of Board minutes

2.1 Minutes of the Board meeting III-2024 on 25 September 2024

The Chair proposed a minor technical amendment to the minutes.

The Board approved the minutes of the Board meeting III/2024 on 25 September 2024.

2.2 Scope of contents of Board minutes to be published

Based on the aim to increase transparency, the Board members expressed preference for the public version of the minutes to include also a summary of key points of discussions.

The Board considered the scope of contents of the version of Board minutes to be published as per the Public Information Policy, and decided, that the public version of approved Board minutes will include the decisions made and a summary of key points of discussions, taking into account limitations of disclosure set out in section 4 of the Public Information Policy.

3. Update on recent NDF activities

Satu Santala, complemented by Leena Klossner and Jesper Andersen presented recent NDF activities.

The Board expressed appreciation of NDF's operational delivery (eight new projects totaling EUR 65 million committed so far in 2024), and work on building the institution, including delivering on all the capital increase commitments and development of the Results Management Framework (RMF). Further development of RMF will continue following adoption of NDF's revised strategy in 2025. The Board welcomed information on the status of the activities related to work culture, which also includes the project on new office premises. The Board looked forward to receiving findings from the ongoing external evaluation of NDF and other studies with linkages to the strategy process.

The Board took note of the presentation on recent activities.

4. Business Plan and Administrative Budget for 2025

Satu Santala and Leena Klossner presented the business plan and Jesper Andersen the administrative budget for 2025.

The Board expressed appreciation of the 2025 Business Plan built around the four pillars “define NDF’s future direction”, “deliver impactful projects”, “empower success through culture, tools and policies” and “grow NDF’s network and visibility”. The Board touched upon elements in preparation for a revised strategy such as division of operational focus between mitigation and adaptation and further development of the Nordic added value/Nordic voice. The Board welcomed the planned workshops related to the ongoing evaluation of NDF and strategy preparation.

The Board requested continued cost consciousness as regards costs for IT development and use of external consultants. The potential mode of multiyear budgeting was touched upon.

The Board approved the Business Plan 2025.

The Board approved the Administrative Budget for 2025.

*Management may redistribute amounts between different budget items.
Major redistributions between budget items shall be reported to the Board.*

5. Projects

5.1 Project origination – status update including project having received Clearance in Principle

Malena Rosman presented the status of project origination. No new projects have received clearance in principle since the last Board meeting. The project pipeline is, however, rich and NDF continues to receive a big variety of project proposals both as regards thematic focus and geography. Starting from 2025, the Board will receive more data on the pipeline.

The Board took note of the portfolio origination status.

5.2 Project for final approval

5.2.1 Private sector project (Africa regional)

Siv Ahlberg presented the agenda point complemented by Anu Hassinen.

The Board expressed its support for the innovative piloting character of the project. The Board noted some potential risks in the project requiring intensified monitoring activities.



The Board approved grant financing of up to USD 5.65 million to the private sector project C 146 aiming at the establishment of a pilot financing facility.

The Board requested Management to update the Board in the course of implementation of the project.

Based on Public Information Policy sections 3.3 and 4.1, information on further details is deferred.

6. Legal matters

6.1 Establishment of the Cooperation Council

Christina Stenvall-Kekkonen presented the agenda item. The Board welcomed establishment of the Cooperation Council.

The Board took note of the establishment of the Cooperation Council including the Rules for the Cooperation Council.

6.2 Appointment of external expert to NDF's Sanctions Committee

Christina Stenvall-Kekkonen presented the agenda item.

The Board appointed Linda Lundqvist, Chief Ethics and Compliance Officer at NEFCO as external expert to the Sanctions Committee for the period 4 December 2024-3 December 2027.

7. Financial and other reporting for information

7.1 Overview NDF's Financial sustainability

Jesper Andersen and Mats Slotte presented the agenda point. The presentation included recent changes made to the Expected Credit Loss classification of some sovereign borrowers facing debt management issues and status of NDF's dialogues regarding these sovereign borrowers. NDF continues its considerations as regards the possible significance of the concept of net finance flows for NDF's long standing status as a preferred creditor.

Status information was shared about the latest development in the sphere of sovereign debt treatment by the Paris Club and G 20/ G 77 countries.



The Board took note of the Overview of NDF's Financial Sustainability and administrative budget as per 30 September 2024 and the additional oral information provided in the meeting.

7.2 Internal blended finance study – Presentation of first preliminary key findings

Leena Klossner gave a short introduction to the agenda point. The internal study is a result of comprehensive internal work. The study will be complemented and validated by external actors further carrying out further studies such as the ongoing external evaluation. Going forward, NDF also aims to make a public knowledge product of NDF's blended finance activities

Michelle Voon and Teemu Blomqvist presented further details of the findings related to NDF's ongoing 13 private sector projects and their subprojects.

The Board found the study useful for the strategy work ahead.

The presentation spurred a discussion centring around the following themes:

- NDF has a relevant role to play in a context where climate financing represents a high share of all blended finance and the share of ODA in blended finance is shrinking
- NDF's divided focus between mitigation and adaptation going forward
- It is interesting for NDF to further explore collaboration with big MDBs in blended finance structures
- It is very rare that investors are able to provide TA funds in parallel to other financing, like NDF is doing in several projects
- NDF's added value in blended finance projects includes also other elements than catalysing financing such as gender integration and heightened standards of environmental and social standards

The Board took note of an internal study on NDF's blended finance portfolio.

8. Governance matters for information

8.1 Timing for the Board's perusal of the Annual financial Report 2024 in written procedure

Christina Stenvall-Kekkonen presented the agenda point.

The Board took note of the planned timing for the Board's perusal of the Annual Financial Report 2024 in written procedure.



8.2 Proposal for 2025 Board meeting dates

The Board discussed the proposed dates for meetings I-IV 2025, taking also account other planned activities containing Board involvement.

The Board concluded that the planned dates for meetings I-IV 2025 are

- I. Tuesday- Wednesday 4-5 March 2025 in Helsinki*
- II. Tuesday-Wednesday, 10-11 June 2025 in Denmark*
- III. Tuesday, 30 September 2025 in Helsinki*
- IV. Tuesday-Wednesday, 2-3 December 2025 in Helsinki*

In fidem

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Satu Santala
Managing Director

CHRISTINA STENVALL-KEKKONEN
Christina Stenvall-Kekkonen
Secretary to the Board of Directors

HENRIK BERGQUIST
Henrik Bergquist
Chair of the Board of Directors