



Nordic Development Fund

Management response

NDF PERFORMANCE EVALUATION

Photo: Ignitia

Introduction

An independent evaluator, the Institute of Development Strategy, conducted a comprehensive performance evaluation of NDF's performance during the period of its Strategy 2025. The evaluation focused on areas regarding NDF's operational activities and strategic direction with key aspects, covering NDF's operational efficiency, comparative strengths, weaknesses, strategic opportunities, and challenges.

NDF Management welcomes the independent evaluation team's overall positive assessment of NDF's performance. It confirms that the efforts during the latest strategy period have strengthened NDF's impact, added value and organisational capacity.

This evaluation describes how NDF has carved out its unique position as an innovative institution providing catalytic, early-stage, high-risk concessional financing while establishing a robust portfolio of projects, with a growing coverage in private sector engagement in line with Strategy 2025. These efforts have contributed to substantial climate and development results that are systematically captured in the results reports.

The NDF Management finds that the evaluation has overall paid attention to relevant matters and welcomes its main conclusions and recommendations. General comments on the main conclusions and recommendations are summarised below.

The independent evaluation was conducted from November 2024 to May 2025 by two senior evaluators, Markus Palenberg and Ann Bartholomew, along with analyst Andrea Deisenrieder.

[NDF's performance evaluation can be accessed here.](#)

Evaluation Recommendation 1:

Maintain the current high concessionality and instrument mix, even if this means limited financial sustainability

Management Response:

NDF management agrees with the recommendation. All NDF financing regardless of the instrument is concessional as explicitly set out in the constituent documents of NDF¹. The recommendation on keeping the instrument mix is, however, relevant and aligns with the supporting analysis in the evaluation of our added value. There is a high demand for NDF's concessional, flexible capital to complement what other financiers can offer. The evaluation correctly points out that NDF's current model is not financially sustainable in the longer run, and it requires further capital increases to continue fulfilling NDF's mandate and specialised role going forward.

¹ See Article 1 of the Agreement between Denmark, Finland, Iceland, Norway and Sweden concerning the Nordic Development Fund as of 9 November 1998 and thereto related Statutes Section 1.



Key actions



Time frame



Responsible Unit(s)



Tracking

Continue high concessionality and instrument mix and apply this approach in the revised Strategy.

Q3/2025-
Q1/2026

MD and all
departments

Status





On-going

Evaluation Recommendation 2:

Continue financial scenario analysis and engage owners in time for post-2030 planning

Management Response:

NDF management agrees with the recommendation. It is a relevant recommendation and should be profiled as an important element in the continued dialogue with the Board. Building on the evaluation findings on NDF's ability in carving out a value adding role in the climate and development finance landscape, as well as the robust institutional development, NDF management sees that NDF is in a good position to ramp up NDF's activities in response to the growing needs and an increasingly challenged capacity of the global community to finance development and climate action.





 Key actions	 Time frame	 Responsible Unit(s)	 Tracking
Conduct financial scenario analysis every quarterly and engage owners in a dialogue for post-2030 financial planning.	Continuous	MD and QAR	Status
			On-going

Evaluation Recommendation 3:

Further clarify, set targets for and track NDF's direct influence on its projects, partners and stakeholders

Management Response:

NDF management welcomes the recommendation and has already started work in this area. As the evaluation points out, NDF does add value through its financing, technical expertise and engagement, and management is committed to finding ways to plan and track this more explicitly. The revised strategy is an opportunity to more clearly reflect the ambition, resources and operational consequences. It is important to clarify both the concepts and definitions of "NDF's direct influence" and "Nordic interest/value add/leadership", as well as feasible approaches in operationalising and assessing progress on these concepts.





 Key actions	 Time frame	 Responsible Unit(s)	 Tracking
Building on existing tools and systems, further refine planning for and tracking of NDF's direct influence on projects, partners and stakeholders.	Q1/2026-Q4/2026	QAR, POM, SOC	Status
			On-going

Evaluation Recommendation 4:

Select a few specific issues of global relevance and drive, support and coordinate a collective Nordic and international response

Management Response:

In general, NDF management agrees with the recommendation. Selected issues could be identified during the strategy revision and further specified through business planning practices. However, it is important to highlight that these should not be too restrictive to maintain sufficient agility in a rapidly evolving landscape. Equally, it is important to keep in mind NDF's limited staff resources and maintain the focus on delivering impactful projects.

 Key actions	 Time frame	 Responsible Unit(s)	 Tracking
Explore options for selected issues of global relevance during the Strategy revision and assess the potential for further implementation.	Q3/2025-Q1/2026	MD and all departments	<div>Status</div> <div>On-going</div>

Evaluation Recommendation 5:

Pragmatically manage NDF's legal framework with regards to policies and procedures of central importance and how these can be realistically implemented

Management Response:

NDF management agrees with the recommendation. It is a relevant recommendation that builds on the ongoing assessment of institutional processes and structure with a focus on pragmatic policy implementation and limited new policy development. The emphasis will now be on the operationalisation of the existing tools/systems and in this context processes and the associated tools/systems will be assessed and adjusted as needed, and occasionally updating the Legal Framework based on further needs. NDF's organisational structure will also be adjusted as needed to ensure effective and efficient functioning of the NDF team. Consultations involving all staff have also been started in this context.

 Key actions	 Time frame	 Responsible Unit(s)	 Tracking
Apply pragmatic approaches to policy implementation by focusing on implementing existing policies and minimising the introduction of new ones.	Continuous	MD and all departments	<div>Status</div> <div>On-going</div>
Revise NDF's organisational structure to ensure efficient and effective team operation.	Q3/2025-Q4/2026	MD and all departments	<div>Status</div> <div>On-going</div>



Nordic Development Fund

Follow us

