

NORDIC CLIMATE DIALOGUES

29 SEPTEMBER 2026 HELSINKI

Nordic Climate Dialogues

Event Summary



Nordic Climate Dialogues: Event Summary

Climate and development finance are in a period of profound change. Public development assistance is contracting, international cooperation is under strain, and geopolitical shifts are reshaping priorities, even as climate risks intensify and the need for adaptation and resilience investment grows.

The Nordic Climate Dialogues brought together more than 120 leaders from public and private institutions, investment, development finance, research, and practice to explore how Nordic cooperation can remain relevant and turn its strengths into tangible climate and nature outcomes.

Three overarching ideas ran through the day:

- **Build:** building on what has worked in Nordic cooperation and development finance.
- **Learn:** reconsidering approaches, metrics, and institutional silos that no longer serve the goal.
- **Connect:** forging new links across finance, policy, research, and implementation.

Against this backdrop, discussions focused on closing the gap between available solutions and the decisions, institutions, and financing structures needed to bring them to scale. The challenge is not simply a shortage of capital. It is also a decision gap: the analysis and evidence largely exist, but they are not yet translating into different choices about where and how capital is deployed. Closing that gap means using existing resources more strategically, building markets rather than financing isolated transactions, moving faster, and strengthening the partnerships that connect innovation with investment and lasting impact.

The discussions converged on four priorities for action:

- First, Nordic actors must translate trust into implementation, using their reputation for credibility and collaboration to deliver results.
- Second, concessional finance must be used more strategically to catalyse investment and build markets, including in adaptation.
- Third, the community must close the missing middle between promising solutions and investment at scale.
- Fourth, nature, resilience, and development must be integrated into investment decisions.

1. Translate Nordic trust into implementation

In an increasingly fragmented global environment, trust has become a distinctive Nordic asset. Strong institutions, long-term partnerships, high standards, and a tradition of collaboration across government, business, labour, and civil society give Nordic actors a valuable platform for international cooperation. But leadership must be demonstrated through implementation, not ambition alone.

- **Work collectively across Nordic institutions**, combining development finance with Nordic expertise and private sector capabilities, rather than allowing institutions and initiatives to continue operating in silos.
- **Align international support with country-led priorities and local needs**, as climate action increasingly shifts from global processes to national implementation.
- **Put the private sector and value chains to work**. Private sector growth is the only route to jobs at the scale needed. Public and corporate procurement should reward responsible suppliers, and Nordic companies can help local suppliers meet rising standards rather than be excluded from global value chains.
- **Hold the line on standards**. Sustainability, human rights, inclusion, and environmental standards should be maintained even under political or commercial pressure. Responsible business conduct and sustainability regulation are part of a credible and competitive value proposition, rather than simply a cost.
- **Partner with local actors on equal terms**, building their capacity and enabling them to participate in global value chains.

2. Use concessional finance as catalytic capital

With public resources increasingly constrained, finance must be used to unlock investment, build markets, and create lasting change. Concessional finance can play a catalytic role by taking early risks, supporting new business models, and enabling private investors to enter markets and sectors they would otherwise avoid.

Blended structures are already proving their value:

- Carefully structured grants, first-loss capital, guarantees, technical assistance, and

results-based financing can bring together public, philanthropic, development, and commercial capital. The Hardest-to-Reach initiative, for example, brought 23 stakeholders together to expand energy access in challenging African markets, with catalytic support helping to unlock further investment.

- Flexible funding and trusted partnerships enable entrepreneurs to respond to changing circumstances and build local markets.

But catalytic finance must be used with discipline:

- **Ensure additionality.** Catalytic finance should address barriers that prevent investment, not subsidise activities commercial capital would finance anyway. Where structures can attract institutional capital without concessional support, they should.
- **Match the instrument to the context.** Loans and guarantees work where revenue streams and risk-bearing capacity exist. Grants remain essential for early-stage development, project preparation, capacity building, adaptation, biodiversity, and fragile contexts.
- **Look beyond leverage ratios.** An excessive focus on capital mobilised can discourage investment in harder markets, where supporting a single viable project or creating a functioning market may itself represent significant progress. Development impact, market creation, and resilience must remain central to decisions about where public resources go.

Close the adaptation gap:

- Global climate finance now exceeds USD 2 trillion annually, yet only around USD 64 billion can be tracked as adaptation finance. The true figure is higher, since much resilience investment is not labelled as adaptation, but the imbalance is clear.
- Adaptation is less unfamiliar than it is underdeveloped as an investment theme. As with renewable energy, confidence and track record will build with experience.
- The core challenge is paying today for savings that arrive later. Outcome-based instruments and results-based financing can help turn those future savings into investable cash flows, and should be scaled beyond the few issuers using them today.

Rethink risk:

- Capital is not scarce, but it is risk-averse. Investment decisions rarely account for the

risk of not investing, and many investors are kept out of frontier markets by their mandates rather than expected returns. Clear strategic allocations to these markets would help strong opportunities find a home.

- Currency risk remains a major barrier where companies borrow in hard currency but earn in local currency, and needs dedicated solutions.

3. Close the missing middle

The “missing middle” emerged as a defining theme of the Dialogues. Promising innovations frequently reach a stage where they are too advanced for early-stage grants but not yet ready for commercial investment. The support needed to bridge this gap, including feasibility studies, technical assistance, reliable data, business development, safeguards, and investment structuring, is often fragmented and underfunded.

Build repeatable models, not one-off deals:

- Aggregate smaller projects into investment opportunities large enough for institutional investors, and find cost-effective ways to do so.
- Standardise to cut transaction costs through common structures, shared due diligence, common impact metrics, and better information sharing.
- Involve investors early in the design of new financing mechanisms, so structures meet their requirements and can attract follow-on capital.

Move at the speed entrepreneurs need:

- Due diligence that takes months can end ventures with only weeks of runway. Processes must be faster and simpler.
- Funders should agree on objectives, terms, and impact metrics at the outset, working toward a single term sheet rather than repeated negotiation with each investor.
- Companies should be able to focus on their customers, not on servicing the reporting requirements of multiple funders.

Distinguish a shortage of projects from a shortage of investment-ready opportunities:

- In many cases, the pipeline already exists. What is missing is the capacity to aggregate projects, build market confidence, address specific barriers, and connect opportunities with the right investors.

- Better information can sometimes resolve these barriers more effectively than financial de-risking alone.

Use Nordic cooperation as a bridge. There is an opportunity to coordinate donor efforts, share research and due diligence, involve local financial institutions and pension funds, and create clearer pathways from early-stage innovation to commercial investment. The goal is markets and financing structures that continue to operate and grow beyond the initial public support.

4. Integrate nature, resilience, and development into investment decisions

Healthy ecosystems underpin economic activity and resilience, and communities that depend on natural resources are often among the most exposed to climate impacts. In many places, poverty drives nature loss and nature loss deepens poverty. The challenge is translating this interdependence into practical investment decisions.

Make nature-positive also people-positive:

- Conservation that does not deliver livelihoods rarely lasts. Businesses whose success depends on healthy ecosystems, providing formal jobs and income, create lasting incentives to protect them.
- These are investable businesses with revenues and international buyers. What often holds them back is not impact or revenue, but the right capital structure.

Strengthen the evidence base:

- Demonstrate the business case for nature-positive investment, including its contribution to business performance, livelihoods, and resilience, and the link between biodiversity protection and poverty reduction.
- Improve metrics and monitoring. Credible metrics and better tools for assessing environmental and social outcomes help investors understand risks, identify opportunities, and track results. Advances in data and artificial intelligence may make monitoring more scalable and affordable.
- Assess planetary boundaries more systematically, helping investors consider the broader effects of their activities.

Address the barriers that remain:

- Nature's value is often not reflected in market prices, and ecosystem benefits can be difficult to monetise. Investors find it hard to commit capital at scale to assets they cannot price.
- Policy is fundamental to creating enabling conditions, correcting market failures, removing harmful subsidies, and integrating nature into economic and investment decisions.
- Recognise that not all conservation can generate investable revenue. Where commercial models fall short, public and philanthropic funding must fill the gap.

Broaden the definition of resilience. Resilience is more than recovering from shocks. It includes the capacity to adapt and transform, with attention to long-term outcomes, diversity, equity, and the agency of local communities.

Looking Ahead: Nordic Climate Leadership in Action

The previous system of climate and development finance is unlikely to return in its former form. But the Nordics have many of the ingredients needed to help build a more effective one: trusted partnerships, strong public institutions, private capital, technical expertise, and a willingness to experiment. The priority now is to bring these assets together deliberately using public and philanthropic resources to address barriers to investment, simplifying and speeding up financing structures, strengthening local capacity, and creating repeatable pathways for proven solutions to reach scale.

Above all, the discussions pointed to the need for radical collaboration: breaking down institutional silos, involving investors earlier, and focusing on country-level impact rather than isolated transactions or mobilisation targets. Participants also called for future discussions to apply a stronger lens on fragility and conflict, and for the Nordics to communicate their approach more boldly, telling the story of what works so that others take notice. The opportunity for Nordic leadership lies not simply in mobilising more capital, but in ensuring finance reaches the right opportunities, supports resilient and nature-positive development, and delivers lasting results for people and the planet.

NDF is committed to taking the momentum from Nordic Climate Dialogues forward. For NDF,

Nordic Climate Dialogues is part of a continuing effort to turn Nordic climate leadership into practical action. We will carry the ideas, challenges and opportunities raised during the event into our everyday work, partnerships and investment activities. We are committed to working with Nordic institutions, businesses, investors and knowledge partners, as well as partners beyond the Nordic region, to test new approaches, strengthen collaboration and translate promising ideas into tangible results and to help them scale. The conversation will continue throughout the year, and we look forward to the opportunity to reconvene, take stock and continue building the agenda together again in Nordic Climate Dialogues 2027.



Follow us



**NORDIC CLIMATE
DIALOGUES** 29 SEPTEMBER
2026
HELSINKI