



Nordic Development Fund

Rules of Procedure of the Board of Directors

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on 12 June 2024
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Rules of Procedure of the Board of Directors of the Nordic Development Fund

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1 Definitions

Agreement means the Agreement on the Nordic Development Fund between Denmark, Finland, Iceland, Norway, and Sweden signed 9 November 1998, which entered into force on 18 September 1999.

Alternate means an alternate member of the Board.

Board means NDF's Board of Directors.

Chair means the chair of the Board, appointed in accordance with Section 2.3.

Managing Director means the managing director of NDF.

Member means a member of the Board with the right to vote, including an Alternate if such Alternate is acting in place of an absent Member.

Member Country means any of the states that are party to the Agreement.

NDF means the Nordic Development Fund.

Secretary means NDF's General Counsel and, in case of the General Counsel's absence, a NDF staff member designated by the Managing Director to act as Secretary to the Board.

Statutes mean the statutes of NDF attached to the Agreement, as in effect at any given time.

2 Composition and chairship

2.1 In accordance with Section 6 of the Statutes, the Board shall be composed of five Members; each Member Country shall appoint one Member and one Alternate for a maximum term of five years. The term may be renewed. Each Member Country shall officially communicate to the Secretary the persons appointed as its Member and Alternate.

2.2 All Members shall possess high competence in relevant fields. It is expected that the Members allocate sufficient time and resources to the Board activities.

2.3 The chairship and deputy chairship of the Board shall rotate among the Members following the Member Countries' alphabetical order in English. The term shall last for one 1 year and begins each year on 1 May and ends 30 April the following year.¹

3 Powers of the Board

3.1 Pursuant to the Statutes Section 6, all powers of NDF are vested in the Board, which may delegate such powers to the Managing Director to the extent appropriate.

3.2 The Managing Director is responsible for the conduct of the ordinary operations of NDF and shall follow the guidelines and instructions given by the Board.

3.3 The following matters shall be presented to the Board for consideration

- i) Strategy and business plans, including annual administrative budgets;

¹ For example, Sweden holds the chairship and Denmark the deputy chairship during the period 1 May 2024 – 30 April 2025.

- ii) Annual accounts and annual reports;
- iii) Final project-proposals;
- iv) Documents at the hierarchical level of policies and regulations relating to the operations, institutional matters or administration of NDF;

In addition, the Board shall regularly be informed about following matters

- v) Operations and other key activities
- vi) Financial and non-financial results
- vii) Risk management
- viii) Integrity and anticorruption activities

The above lists are not exclusive.

3.4 The Board may establish committees to facilitate its work if deemed appropriate. Such committees shall report to the Board, in plenum.

4 Meeting and notices

4.1 Meetings shall be held as frequently as the operations of NDF require. Dates for meetings of the Board for the following year are set at the last Board meeting of the previous calendar year. The Board shall aim to hold meetings on dates when all Member Countries can be represented. At each Board meeting, the date for the next meeting shall be confirmed.

4.2 In addition to Section 4.1, the Board shall meet when the Chair so decides or at the request of the Managing Director or at least two of the Members.

4.3 Meetings shall normally be held in Helsinki, Finland. One meeting per year may be held in another Member Country. The Board may decide to hold a meeting online by video, telephone, or other similar technical means.

4.4 The Managing Director and the Secretary shall ensure that the notice, agenda and supporting documentation for a meeting is prepared and distributed to the Members and Alternates. As a rule, NDF shall distribute the meeting material no less than fifteen (15) working days prior to the following meeting. Notice, agenda and other documentation shall be in English. The documentation shall be distributed electronically, by reliable and secure means.

4.5. Each Member may require that additional items are added to the agenda, provided that such request is made in writing to the Chair, the Managing Director, and the Secretary no later than five (5) working days prior to the meeting. If all Members present agree, items can also be added to the agenda at the meeting.

4.6 In extraordinary circumstances, the Chair may convene the Board with two (2) days' notice. In such cases, supporting documentation for the meeting shall be sent out not less than twelve (12) hours prior to the meeting.

5 Quorum and decision-making

5.1 Four Members entitled to vote shall constitute a quorum of the Board.

5.2 Each Member shall have one vote. Alternates are allowed to vote only in the absence of the Member from the same Member Country. Decisions of the Board require that no one present and entitled to vote explicitly opposes the decision.

5.3 The Board can delegate decision-making powers to the Chair or the Managing Director.

6 Participation in meetings

6.1 The Managing Director, the Secretary and NDF's Directors participate in the Board meetings without right to vote.

6.2 A representative from the Nordic Investment Bank (NIB) is invited to the meetings as observer without the right to vote.

6.3 An Alternate may, with the Chair's approval, participate in meetings without the right to vote when the Member from the same Member Country is present.

6.4 Other members of NDF's staff may participate in meetings in accordance with the Managing Director's instructions and the Chair's approval. In addition, the Chair may invite other persons and experts to participate in a meeting to the extent appropriate and relevant.

6.5 The Board may hold meetings with Members only present. The Chair may invite the Managing Director to such meetings.

7 Decisions by written procedure

7.1 Decisions may be taken by written procedure, if deemed appropriate. However, if the matter is of a principal nature, the matter shall have been presented and discussed at a meeting prior to decision by written procedure.

7.2. In cases where decisions are to be made by written procedure, the Secretary shall ensure that relevant documentation and instructions for the decision-making procedure shall be distributed to all Members and Alternates normally no less than ten (10) working days prior to the last day for responding.

7.3 Decisions by written procedure require that all Members respond to the proposed decision within the set timeline. An Alternate shall be entitled to respond in a Member's place, if the Member has confirmed that they will be absent during the response period or it is otherwise made clear that the Member is not able to respond.

7.4 Decisions by written procedures shall be deemed made on the date of the last response to the proposal from a Member. The decision shall be included in the minutes of the next Board meeting.

8 Minutes

8.1 The Secretary shall prepare minutes from the meetings, reflecting the decisions of the Board. A Member may require that their opinion be included in the minutes. The minutes shall be prepared in the English language.

8.2 Draft minutes shall be circulated to Members and Alternates without delay after the meeting. The final draft shall be presented to the Board for approval at the following meeting and shall be signed upon approval by the Chair, the Managing Director, and the Secretary of the meeting to which the minutes pertain.

8.3 The Secretary shall be responsible for the custody of the minutes and other documents relating to Board procedures.

9 Confidentiality and publicity

9.1 In line with NDF's Public Information Policy, the Board strives to make publicly available its decisions and work, which includes making Board minutes publicly available to the extent they do not contain confidential information or personal data.

9.2. Each Member shall observe the provisions on confidentiality in the Code of Conduct for the Board and the Managing Director and shall especially ensure the confidentiality of information related to private sector projects and other arrangements in which NDF is bound by confidentiality under law, contract or otherwise.

10 Remunerations

10.1 Members shall be entitled to reimbursement by NDF of travel expenses incurred in connection with participation in meetings in accordance with NDF's Travel Guidelines.

10.2 NDF shall reimburse travel costs incurred in connection with participation in one Board meeting annually for Alternates not entitled to vote.

10.3 Members and Alternates shall be entitled to annual remuneration and compensation for participation in meetings as decided by the Nordic Council of Ministers upon proposal from the Board.

11 Amendment of rules

11.1 These rules may be amended by decision of the Board.