



Nordic Development Fund

PUBLIC

Minutes from the meeting II/2025 on
10-11 June 2025 in Copenhagen

Participants: voting members:

Anders Ørnemark, Denmark (Chair)
Johanna Pietikäinen, Finland
María Erla Marelsdóttir, Iceland
Anne Kristin Hermansen, Norway
Henrik Bergquist, Sweden

Other participants:

Satu Santala, NDF
Leena Klossner, NDF
Christina Stenvall, NDF (Secretary)
Jesper Andersen, NDF
Malena Rosman, NDF
Johan Ljungberg, NIB (observer)
Mari Rasilainen, NDF
All NDF staff (item 3.)
Sofia Chaichee, NDF (items 1.-5.)
Anu Hassinen, NDF (online) (item 7.)
Ole Stubdrup, NDF (online) (item 7.)
Jacob Lorentzen, NDF (online) (item 7.)
Michelle Voon, NDF (item 7.)
Mats Slotte, NDF (online) (item 8.1)
Amanda Hajnal, NDF (online) (item 8.2)

10 June 2025

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.

2. Approval of Board minutes

2.1 Minutes of the Board meeting 1/2025 on 4-5 March 2025

Henrik Bergquist had proposed minor technical amendments to the uploaded draft minutes. The amended draft minutes have been uploaded on Board portal on 6 June 2025.

The Board approved the minutes of the Board meeting 1/2025 on 4-5 March 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.

A discussion centring around the following themes was summarised as follows:

- The Board's in principle support for a multi-year business plan approach in the context of the next Strategy as several activities span over more than one calendar year
- The increased and welcome visibility and outreach activities of NDF in general and the arrangements around the upcoming Nordic Climate Dialogue event on 1 October 2025 in Hanasaari Cultural Centre
- Ongoing organisation wide AI training ongoing as part of IT services provided by NIB

The Board took note of the presentation on recent activities.

4. Final report of the NDF Performance Evaluation

Satu Santala and Sofia Chaichee complemented by Leena Klossner gave a brief introduction to the final NDF Performance evaluation report as of 16 May 2025 by the Institute for Development Strategy and the related draft management report. It was mentioned that NDF is by and large in agreement with the overall positive findings and the five specific recommendations.

A discussion centring around the following themes was summarised as follows:

- The very positive overall findings confirm that NDF has delivered on Strategy 2025 and strengthened its work as a professional climate financier
- The relevance of evaluation results for the ongoing strategy revision



- NDF's financial model with high concessionality has been proven to play a highly additional role in the global climate finance architecture, highlighting the need to commence planning for NDF's financial future beyond 2031
- A need to clarify the concepts of Nordic leadership and Nordic values
- The concept of NDF's direct influence and its measurability, and balancing flexibility with specific global issues

The Board took note of the final NDF Performance Evaluation report and the draft management response.

5. NDF Results report 2024

Sofia Chaichee gave a brief introduction to the NDF results report 2024. The link to NDF's results report 2024 material has been sent to the Board by email on 5 June 2025 for information and onward distribution.

A discussion centering around the following was summarised as follows:

- The 2024 report on NDF's operational activities is comprehensive
- The results reporting is essential and desired annually by the Board despite being work-intensive to produce
- Nevertheless, suggestions on how to make the reporting lighter are welcome
- Further development of the results monitoring framework will continue following adoption of NDF's revised strategy in 2025

Board took note of the NDF Results report 2024.

6. Elements and strategic choices for NDF's Strategy revision

Satu Santala and Leena Klossner presented the topic based on a power point presentation. The presentation is based on findings from strategy revision workshops held and the evaluation results. The plan is for the administration to begin drafting the revised strategy document, also addressing the initiation of planning for NDF's financial future beyond 2031. Further data and analysis will be provided to the Board in due course.

A discussion centring around the following themes took place



- General remarks on overall increased ambition enabling NDF to deliver what it is best at within resources available and highlighting the need to discuss future financing beyond 2031
- Climate finance: adaptation and mitigation
- Financing modalities and instruments in line with NDF's concessional approach
- Managing of external funds/ facilities when complementing NDF core activities and cost coverage achieved
- Public and private sector finance, including co-financing with MDBs.
- Sectoral and thematic focus balanced with sufficient flexibility
- Geographic focus including in relation to current emphasis on Sub-Saharan Africa
- Nordic added value – promoting partnerships, values, and visibility and closer collaboration within the Nordic climate community

The Board discussed the future strategic direction of NDF and provided NDF's administration with guidance needed to start the drafting of a revised strategy document.

The Board took note of that the continued discussion of the revised strategy will take place in the September Board meeting, to which a draft strategy document will be provided accompanied by a financial analysis.

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The Board members and the MD Satu Santala held a closed session on the topics of the achievements for 2024 and the targets for 2025.

7. Operational activities

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

Malena Rosman complemented by Michelle Voon presented the general status of project origination. Malena Rosman also presented a private sector multiregional project in Sub-Saharan Africa and Latin America and Anu M300 DRE Equity Vehicle (Zafiri) project. These two projects had passed confirmation in principle (CiP) since the last Board meeting.



A discussion around the above topics was summarised as follows:

- Highlighting value of nature-based solutions and the positive indication of private fund managers coming forward with proposals
- Changing market dynamics especially in Africa and challenges faced, highlighting risk management is key. In limited cases exceptions with regard to UMICs exposure could be considered for demonstration and market development purposes
- Appreciation for enhanced collaboration on IMCA
- The promising Zafiri project receiving full support
- A wish for more information to be provided for the very early- stage private sector multiregional project in Sub-Saharan Africa and Latin America

Two Booster grant projects approved by the Managing Director were presented, the SOFF Impact bond project by Jacob Lorentzen and a multi-country electrification project in rural Sub-Saharan Africa by Malena Rosman. Michelle Voon presented the progress update of a new Challenge Fund with ongoing consultations of Board members.

1. *The Board took note of the portfolio origination status including two Booster grant projects approved by the Managing Director.*
2. *The Board provided initial feedback on the M300 DRE Equity Vehicle project (“Zafiri”) and a private sector multiregional project in Sub-Saharan Africa and Latin America, 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.*

7.2 Projects for final approval

7.2.1 Outrigger Impact Fund

Michelle Voon presented the agenda item mentioning that there will be related outreach activities of the project in connection with the UN Ocean Conference in Nice later in the week.

The Board expressed its support for the project especially with regard to



the focus on blue economy in small island developing states (SIDS) and its biodiversity angle.

The Board approved equity and grant financing of up to USD 9.5 million to the private sector project C169 - SIDS -Outrigger Impact Fund, with the objective to support development of the Blue economy and enhance the sustainability of ocean resources, to build climate and community resilience and drive nature-positive outcomes in vulnerable island and coastal states.

7.2.2 Transforming Landscapes for Resilience and Development II (TRALARD II)

Ole Stubdrup who participated in the meeting online, presented the agenda item.

The Board expressed its support for the project especially with regard to its focus on gender and carbon credits and creation of alternative sources of income.

The Board approved grant financing of up to EUR 10.0 million to the project C173 – Zambia - Transforming Landscapes for Resilience and Development II (TRALARD II), which aims to strengthen Zambia’s climate adaptation efforts, to improve livelihoods for vulnerable communities, and to mobilise financing to bolster resilience and improved livelihoods.

8. Financial and other reporting for information

8.1 Overview NDF’s financial sustainability and administrative budget as per 31 March 2025

Jesper Andersen and Mats Slotte presented the agenda item. The presentation included a status update on some sovereign borrowers facing debt management issues and the related dialogues regarding these sovereign borrowers.

The Board took note of the overview of NDF’s financial sustainability and administrative budget as per 31 March 2025 and the additional oral information provided in the meeting.

8.2 Risk Management Annual Report 2024

Amanda Hajnal, who participated in the meeting online, presented the agenda item. The Risk Management Annual Report is designed for internal use only as a tool to support risk-informed decision-making at NDF. The 2024 report is the

first of its kind, with further calibration of risk severity and risk mitigation measures to be included in future editions. The Report was approved by the Managing Director on 19 May 2025.

The Board expressed its appreciation for the 2024 Risk Management Annual Report.

The Board took note of the presentation given and the NDF Annual Risk Management Report 2024 dated 19 May 2025.

8.3 Annual Report on NDF's Integrity and Anticorruption work

Christina Stenvall-Kekkonen presented the agenda item. Since the last report to the Board in June 2025 (covering the period June 2024–May 2025), the focus has been on prevention and awareness raising and it has been closely aligned with development taken place vis-à-vis risk taxonomy and processes under agenda point 8.2.

The Board took note of the Annual Report on NDF's Integrity and Anticorruption Work covering the period June 2024–May 2025.

9. Legal matters and governance matters for decision and information

9.1 Internal guidelines on NDF's Job Architecture

Satu Santala briefed the Board on the Job Evaluation project and how it was conducted with the support of an internationally recognised consultancy firm specialised in such matters and with the involvement of the Cooperation Council.

The Board expressed its support for NDF's relative salary level to remain at the current level compared to the host country benchmark used, and to utilise periodical benchmarking done by NIB going forward.

The Board took note of the draft internal guidelines on NDF's Job Architecture (version 16 May 2025), which will enter force by decision of the Managing Director, pending technical finalisation.

9.2 Revised and updated Staff Regulations and Code of Conduct of the staff (for decision) and related internal guidelines (for information)

Christina Stenvall-Kekkonen made a brief presentation of the agenda item. The main topic for the proposed revisions is two-fold, a more proactive, timely

approach to address the full spectrum of unacceptable behaviours including early conflicts resolution and further strengthening and clarifying of procedures for reporting and investigation of harassment and other staff misconduct.

The Board

1. *approved the proposed amendments to the Staff Code of Conduct (draft 15 May 2025) and to the Staff Regulations (draft 15 May 2025) with entry into force by 1 July 2025, pending technical finalisation of the documents*
2. *took note of the draft Guidelines for dealing with conflicts, unwanted behaviour and harassment (version 15 May 2025), to be approved in their final form by the Managing Director*

9.3 Minutes of Cooperation Council meeting 12 May 2025

Christina Stenvall-Kekkonen presented the agenda item.

The Board took note of the minutes from Cooperation Council meeting held on 12 May 2025.

10. Next Board meeting

The Board took note of that the next Board meeting will be held on 30 September 2025 in Hanasaari Culture Centre, Espoo, Finland. In connection with the Board meeting NDF will on 1 October organise a Nordic Climate Dialogue event at the same venue.

In fide

SATU SANTALA
Satu Santala
Managing Director

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

ANDERS ØRNEMARK
Anders Ørnemark,
Chair of the Board of Directors