



Nordic Development Fund

PUBLIC

Minutes from the meeting III/2024
on 25 September 2024 in Helsinki, Finland

Participants: voting members:

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

Other participants:

Johan Ljungberg, NIB (Observer)
Satu Santala, NDF
Leena Klossner, NDF
Christina Stenvall-Kekkonen, NDF (Secretary)
Jesper Andersen, NDF
Malena Rosman, NDF
Mari Rasilainen, NDF
Siv Ahlberg, NDF (items 4.1, 4.1.1, and 4.1.2)
Teemu Blomqvist, NDF (items 4.2.1 and 8.1)
Anu Hassinen, NDF (item 4.2.1)
Mats Slotte, NDF (item 6.1)
Michelle Voon, NDF (items 4.1 and 4.1.1, 8.1)
Sofia Chaichee, NDF (item 8.1)
Mayra Da Silva, NDF (item 8.1)
Martina Jägerhorn, NDF (item 8.1)
Jacob Lorenzen, NDF (item 8.1)
Isabel Leroux, NDF (item 8.1)
Taru Saarinen, NDF (item 8.1)

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 II-2024 on 11-12 June 2024

The Board approved the minutes of the Board meeting II/2024 on 11-12 June 2024.

2.2 Recording of summary of strategic input by the Board to draft terms of reference for NDF evaluation

The Board discussed the draft terms of reference, raising the issue, i.a. of including coverage of operational efficiency as part of the upcoming evaluation.

The Board

- 1) *took note of the draft terms of reference for the NDF performance evaluation, and*
- 2) *expressed its general support for the said terms of reference.*

3. Update on recent NDF activities

Satu Santala, complemented by Leena Klossner, Jesper Andersen, Malena Rosman, Mari Rasilainen and Christina Stenvall-Kekkonen presented recent NDF activities.

The presentation spurred an extensive discussion focusing on the following themes:

- The strategy revision process, starting with an evaluation and planned to entail workshops with participation by member country administrations and NDF staff, including foresight methodologies. The process as outlined was well received
- Status on NDF's project portfolio and its alignment with the strategic targets and evolving practices for project sourcing and improved internal workflow
- Status of preparatory work for a new challenge fund
- A proposal by Sweden for NDF's administration to commission a study looking into the feasibility of possible future NDF activities in Ukraine
- Status of NDF's office project and the IT development roadmap under development including cost implications
- Modes for Board meeting minutes and a request to include short summaries of discussions in the Board minutes in addition to setting out decisions.

Following discussions,

the Board

- 1) *took note of the presentation on recent activities, and*
- 2) *requested the administration to undertake an initial study on NDF's potential engagement in Ukraine, including NDF's comparative advantage and implications for NDF's operations and resources, with a view to later decision making in connection with the process for establishing the revised NDF Strategy.*

4. Projects

4.1 Project origination – status update

Malena Rosman presented the status of project origination, including with regard to the ARCAFIM project approved by the Board at its meeting on 27 November 2023. Siv Ahlberg presented the Hindu Kush Himalaya Climate Risk Initiative project that has passed Clearance in Principle (CIP).

The Board appreciated the status update, including the information provided on the ARCAFIM project.

As regards the Hindu Kush Himalaya Climate Risk Initiative project, the Board, in addition to the overall support expressed, addressed individual issues, including on the value of exploring collaboration possibilities between ICIMOD and relevant Nordic actors, and on the importance of the gender and fragility aspects that had been included in the project.

- 1) *The Board took note of the portfolio origination status.*
- 2) *The Board provided initial feedback on the Hindu Kush Himalaya Climate Risk Initiative project that has 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.*

4.1.1 Discussion paper related to a project having received a conditional Clearance in Principle

Michelle Voon presented the agenda point.



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The Board expressed its support for categorising SIDS as a special group as suggested and welcomed the OIF private sector project's aim of targeting private sector involvement in adaptation efforts.

The Board took note of the discussion paper.

The Board endorsed in principle categorising of SIDS as a special country group, in support of the Managing Director making an exemption from the internal 25% UMIC threshold in multi-country investments.

The Board provided feedback on the OIF private sector project that has passed conditional Clearance in Principle since the previous Board meeting. The feedback on that private sector project will be addressed in the following steps in the origination phase, i.e. Screening and Appraisal.

4.2 Project for final approval

4.2.1 C165 – Africa- Hardest-to-Reach Initiative

Anu Hassinen and Teemu Blomqvist presented the agenda item.

In addition to overall support including targeting the poorest as ultimate beneficiaries, the Board commented i.a. on the importance of adequate risk management during project implementation.

The Board approved grant financing of up to USD 10.5 million to the project C-165-Africa – Hardest-to-Reach Initiative.

5. Legal matters for decision or for information

5.1 Revised Rules on Issuance of Legal Framework Documents

Christina Stenvall-Kekkonen presented the agenda item.

The Board took note of the Rules on Issuance of Legal Framework Documents, adopted by NDF's Managing Director on 28 August 2024.

5.2 Persons authorized to sign on behalf of NDF

Christina Stenvall-Kekkonen presented the agenda item.

The Board authorised in accordance with Section 8 of the Statutes

Siv Ahlberg



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*Jesper Andersen
Amanda Hajnal
Anu Hassinen
Martina Jägerhorn
Leena Klossner
Isa Kujansuu
Isabel Leroux
Jacob Lorentzen
Malena Rosman
Mats Slotte
Christina Stenvall-Kekkonen
Ole Stubdrup
Jussi Viding
Michelle Voon
Lillemor Westerholm*

to sign on behalf of the Fund, two together or jointly with one of the persons mentioned in Section 8 of the Statutes, and as further instructed in the Signing Authority Rules adopted by the Managing Director.

All previous authorisations to sign on behalf of NDF have been repealed.

6. Financial and other reporting

6.1 Overview NDF's Financial sustainability for information

Jesper Andersen and Mats Slotte presented the agenda point including the efforts by NDF to solve challenges in relation to some sovereign borrowers currently facing debt management issues. The efforts include i.a. a continuous dialogue with the distressed borrowers and further consideration of the possible significance of the concept of net finance flows for NDF's long standard status as a preferred creditor.

Information was shared about the latest development in the sphere of sovereign debt treatment by the Paris Club and G 20 countries aiming for changes to the Common Framework for Debt Treatments. Many developing countries face liquidity problems, the pay-back rates on debt being at an all-time high.

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

7. Governance matters for information

7.1 NMR decision on approval of 2023 Annual Accounts

Christina Stenvall-Kekkonen presented the agenda point.

The Board took note of the decision by the Cooperation Ministers at NCM to approve NDF's Annual Report and Accounts for 2023 at their meeting on 18 June 2024.

7.2 Next Board meeting

Christina Stenvall-Kekkonen and Mari Rasilainen presented the agenda point involving, in addition to the meeting, a joint dinner for the Board and all NDF staff in the evening of 3 December.

The Board took note that the next Board meeting will be held on 3-4 December 2024 in Helsinki.

8. Other issues

8.1 Reflections on NDF's portfolio and results

A Power Point presentation summarising outcome of a NDF Results & Reflection Day held on 9 September 2024 had been uploaded on the Board portal on 20 September.

Satu Santala presented the agenda item accompanied by Sofia Chaichee, Taru Saarinen, Michelle Voon, Isabel Leroux, Teemu Blomqvist, Martina Jägerhorn, Jacob Lorenzen and Mayra Da Silva. The main objective of the presentation was to provide food for thought in relation to the development of the Business Plan for 2025 as well as the process for a revised strategy.

The Board highlighted the value of NDF reporting annually on results and expressed its support for the increased use of analysed data as a basis for decision making and development of the revised NDF strategy. The Board underlined that a clear articulation of the added Nordic value will be a central task in the development of the revised strategy.



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Following the discussion,

the Board took note of the presentations on reflections on NDF's portfolio and results, and provided overall feedback, which will feed into the Strategy process.

In fidem

SATU SANTALA
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