

## Minutes of the meeting of the DRC Board of Directors on 5 December 2023

### Present

#### From the Board of Directors:

Agi Csonka, Chairperson (attended online)  
 Bettina Bach  
 Henrik Bodskov  
 Juliane Marie Neiiendam  
 Kim Simonsen  
 Mustafa Rafiqyaar, Employee representative  
 Nina Boel  
 Torben Huss  
 Ulla Næsby Tawiah  
 Vagn Berthelsen  
 Signe Husted Davidsen, Observer (Chairperson of DFUNK)

#### From the Secretariat:

Charlotte Slente, Secretary General  
 Vibeke Bach Madsen, Board Secretary  
 Kasper Orloff, CFO, attended online for agenda items 2, 3, 4, 5  
 Amelina Jaskowiak, Head of Corporate Finance, attended for items 2, 3, 4  
 Andrew Clarke, Senior Chief Finance Consultant, attended for item 5  
 Mads Egeskov Sørensen, Executive Director for P&O, attended for item 6

#### Apologies

Mette Fejfer

### Agenda

	Items		Contents
1)	<b>Approval of agenda</b>	Decision	Comments on the agenda
2)	<b>Financial briefing</b> / Kasper Orloff, CFO	Briefing	Annex 2.0 Cover note for Financial briefing Annex 2.1 Financial briefing on Q3 2023 The Board of Directors will be briefed on the Q3 budget.
3)	<b>Approval of 2024 budget, including strategic investments</b> / Kasper Orloff, CFO	Decision	Annex 3.0 Cover note for 2024 budget Annex 3.1 2024 budget The Board of Directors is to discuss and adopt the 2024 budget, including strategic investments for 2024.
4)	<b>Briefing from the Audit Committee</b> / Vagn Berthelsen	Briefing	The Audit Committee held its most recent meeting on 29 November 2023. The Board of Directors will be briefed on the activities of the Audit Committee (other than items already on the agenda).
	<b>BREAK</b>		
5)	<b>Approval of Reserves Policy</b>	Decision	Annex 5.0 Cover note for Approval of Reserves Policy Annex 5.1 Reserves Policy Recommendation

	Items		Contents
	/ Andrew Clarke, Senior Chief Finance Consultant		Annex 5.2 Deloitte Reserves Policy Memo Annex 5.3 Reserves Policy – Draft Annex 5.3.1 Reserves Policy – Annex 1, Annual Reserves Allocation Recommendation The Board of Directors is to approve a Reserves Policy for the DRC (previously referred to as Equity Policy). The policy was discussed by the Audit Committee at its meeting on 1 September 2023.
6)	<b>HQ location</b> / Mads Egeskov Sørensen, Executive Director for P&O	Decision	Annex 6.0 Cover note for HQ location Annex 6.1 Recommendation for approval of DRC HQ location Annex 6.2 Cost estimate Annex 6.3 Presentation of Civilsamfundets Hus For a couple of years, the DRC has discussed whether a) to embark on an extensive renovation of the current premises due to an intolerable working environment following a thorough renovation of the current building or b) to relocate to new premises. The Executive Management Team has now made a decision, and the Board of Directors is asked to approve the recommendation.
7)	<b>Recap of Board of Directors' seminar on 9-10 November 2023</b> / Agi Csonka	Decision	Annex 7.0 Cover note for Recap of Board of Directors' seminar The Board of Directors is to recap relevant items from the Board of Directors' seminar on 9-10 November 2023
8)	<b>Announcements from the Chairperson and the Secretary General</b>	Briefing	
9)	<b>Any other business</b>		
	<b>Recap after the meeting</b>		The Board's 'free time' with the possibility to evaluate and recap the meeting.

As the Chairperson attended the meeting online, the meeting was chaired by Kim Simonsen, Deputy Chairperson.

## Re 1) Approval of agenda

The agenda was approved as presented above.

## Re 2) Financial briefing

Annex 2.0 *Cover note for Financial briefing* and Annex 2.1 *Financial briefing on Q3 2023* had been sent to the participants.

Amelina Jaskowiak, Head of Corporate Finance, reviewed the budget up to and including Q3 2023.

*Income* has accelerated, but we are still slightly below budget. The bottomline remains ahead of budget mainly due to lower costs.

The *strategic investment funds* have also accelerated and are expected to be applied according to budget.

*Liquidity* is high for the time of year and at a favourable level, mainly reflecting fundraising and monitoring of donor funding.

⇒ **Recap:** *The Board of Directors expressed its thanks for the briefing, the good overview and the strong results.*

### Re 3) Approval of 2024 budget, including strategic investments

Annex 3.0 *Cover note for 2024 budget* and Annex 3.1 *2024 budget* had been sent to the participants.

Amelina Jaskowiak, Head of Corporate Finance, presented the draft 2024 budget.

A minor **revenue** increase on the 2023 budget is budgeted for 2024.

The budgeted **expenditure** reflects the continued restructuring of the organisation, mainly at regional level, which follows from the organisational transformation implemented during 2022-23.

The budgeted financial result leaves little room for **strategic investments**.

In this connection, the main focus is on increased funding and income, strengthening of the organisational capacity (including completion of the implementation of and profit generation from the DRC's ERP system), retention and development of employees, completion of the organisational transformation and support of the implementation of the DRC Strategy 2025.

In view of the ambition to increase the flexible funding, it is recommended as part of the 2024 budget to discontinue the traditional annual **National Collection Day** in Denmark. A request has been made to give priority to resources and funds aligning them with the DRC's strategic ambitions for private fundraising activities.

As from 2024, priority will be given to fundraising activities that yield a higher return and ensure stronger growth.

By targeting our efforts at other fundraising methods, we will be able to more effectively enhance the engagement of new and existing donors and provide the best possible assistance and support to the world's refugees and displaced persons.

Going forward, the World Refugee Day, which is organised by the UN every year on 20 June, will be a good starting point for mobilising fundraising and awareness-raising campaigns by organising fundraising events, influencer campaigns, online fundraising, collaboration with the business sector and partners, thereby underpinning the DRC's mandate and international work. By focusing on an internationally recognised special day, it will be possible to increase the commitment in Denmark as well as in the 40 countries where the DRC has a presence.

⇒ **Decisions:** *The Board of Directors approved the 2024 budget which was considered to be balanced. It was acknowledged that only a small amount will be allocated to strategic investments.*

*With the approval of the budget, the Board of Directors also approved the discontinuation of the annual National Collection Day in Denmark.*

### Re 4) Briefing from the Audit Committee

Vagn Berthelsen, representative of the Board of Directors on the Audit Committee, briefed the Board of Directors about the proceedings at the last Audit Committee meeting.

In addition to the budget review, the following subjects were considered:

- Approval of the internal auditors' plan for 2024, focus countries and thematic areas.
- Approval of a reorganisation with the aim of supporting the best future transition from a tendency to have a *compliance mindset* to adopting an *audit mindset*.  
The reorganisation entails that the internal auditors will be located in Denmark and work from the headquarters.

## Re 5) Approval of Reserves Policy

The following annexes for this agenda item had been sent to the participants:

Annex 5.0 *Cover note for Approval of Reserves Policy*

Annex 5.1 *Reserves Policy Recommendation*

Annex 5.2 *Deloitte Reserves Policy Memo*

Annex 5.3 *Reserves Policy – Draft*

Annex 5.3.1 *Reserves Policy – Annex 1, Annual Reserves Allocation Recommendation*

Andrew Clarke, Senior Chief Finance Consultant, reviewed the proposal of introducing a policy for the DRC's reserves (previously named equity).

Originally, it was decided that the DRC's reserves were to cover six-ten weeks' activity. Since 2018, the DRC's reserves have covered about six weeks' activity.

Having a reserves policy is becoming increasingly common in the INGO sector and is considered to be best practice.

The reserves concept is used to describe the various allocations of total equity. Accordingly, reserves will be a separate item under equity in the DRC's financial accounts.

The purpose of the breakdown is to visualise and ensure that surplus capital is put into play in support of the DRC's goals.

A specification of the details of the reserves and their purpose will be included in the notes to the financial statements.

The proposed Reserves Policy serves three main purposes:

- 1) *A pool of unrestricted reserves*  
Reserves covering the DRC's obligations with minimum and maximum thresholds based on income to ensure that sufficient unrestricted reserves are maintained.
- 2) *A pool of restricted reserves*  
Reserves earmarked for the funding of emergency response and strategic investments.
- 3) *An annual Reserves Allocation Process* of the annual profit for the year to the reserves.

The Audit Committee considered the proposal at its meeting on 1 September 2023. The Audit Committee asked the DRC's auditors to comment on the proposal for a Reserves Policy. The final proposal submitted to the Board of Directors includes comments from the Audit Committee and the auditors and at its meeting on 30 November, the Audit Committee approved the proposal for a DRC Reserves Policy.

⇒ **Decisions:** *The Board of Directors approved the proposed DRC Reserves Policy.*

*It was considered essential that surplus capital is put into play in support of the DRC's goals – both in terms of emergency response and major strategic investments.*

*The Board of Directors will discuss the distribution of the DRC's reserves in connection with the approval of the distribution of profit for the year 2023.*

*In that connection, the Board of Directors will also assess the relevant risks (provisions, liquidity, etc.)*

## Re 6) HQ location

The following annexes for this agenda item had been sent to the participants:

Annex 6.0 *Cover note for HQ location*

Annex 6.1 *Recommendation for approval of DRC HQ location*

Annex 6.2 *Cost estimate*

Annex 6.3 *Presentation of Civilsamfundets Hus*

Mads Egeskov Sørensen, Executive Director for P&O, introduced the agenda item.

The proposal to be decided is based on the extensive problems relating to the indoor environment at the current premises which in fact entail that our working environment does not comply with the Danish health and safety legislation. The problems can be resolved either through extensive renovation of the current premises or by relocating to new premises.

The vision is to have a physical workplace that supports headquarters working globally and being fit for the future.

Based on thorough investigations, the assessment is that the best solution would be to relocate to new premises.

The recommended relocation will entail one-off costs for vacating the current premises, the removal as such and refurbishment of the new headquarters. It is recommended to recognise these costs in equity in 2024/2025.

⇒ **Decisions:** *The Board of Directors approved the proposal for relocating the headquarters, including the estimated one-off costs.*

*The Board of Directors will be briefed on the financial details in connection with the application of reserves in 2024 and 2025.*

## Re 7) Recap of Board of Directors' seminar on 9-10 November 2023

Annex 7.0 *Cover note for Recap of Board of Directors' seminar* had been sent to the participants.

Agi Csonka introduced the agenda item.

### **New Chairperson**

The Chairperson is up for election at the annual meeting of the Council on 29 May 2024, and Agi Csonka had decided not to stand for re-election. Agi said that she had been extremely pleased with the position as Chairperson of an organisation as important as the DRC and that she was proud of the extensive, necessary organisational changes implemented over the past six years. While the DRC is progressing favourably in terms of financial situation, organisation and management, Agi believed that with the new strategy and the enhanced globalisation there is a need for a Chairperson with a more international profile, and it will be a good time for her, also personally, to pass on the baton.

The DRC has joined forces with an executive search firm which together with the Chairpersonship and the Secretary General has drafted a competency profile for a new Chairperson of the DRC.

Based on the candidates proposed by the executive search firm and the members of Board of Directors, the committee set up by the Board of Directors will review the pool of candidates and conduct interviews with selected candidates.

At its meeting in early February, the Board of Directors will make a final decision on which candidate it intends to recommend to the Council.

Subsequently, the Council will be briefed sometime during February about the Board of Directors' nomination of a new Chairperson of the DRC, see Article 11(2) of the Statutes.

*The deputy chairperson shall call for nominations for chairperson no later than two months before the Council meeting, allowing one month for submission of nominations. The names of candidates for the chairpersonship shall be communicated to the members of the Council no later than 14 days before the Council meeting.*

⇒ **Decisions:** *The Board of Directors took note, with regret, of Agi's decision and supported the proposed procedure and time schedule for the election of a new Chairperson.*

## **Re 8) Announcements from the Chairperson and the Secretary General**

- **On 1 December 2023, Nirvana Shawky started as Executive Director for Partnerships, Advocacy & External Relations (PAER)**

With the hiring of Nirvana Shawky, the reorganisation of the EMT has now been completed. With more than 20 years' experience in strategic leadership, global advocacy, partnership development, research/academia and humanitarian aid, Nirvana brings a unique set of experiences to the DRC.

Nirvana Shawky comes from CARE International, where she held the position of Regional Director in the Middle East, North Africa and Eastern Europe since 2018. Before that, she was Global Partnerships and MENA Director in Crisis Action from 2011 to 2018, where she also started as their Head of Advocacy and Campaigns in 2010. She has a proven track record of establishing trust with a wide range of stakeholders, managing high-level relationships, and developing strategies to influence positive partnerships.

Nirvana has been an adviser to and a board member of several institutions in the Middle East and is recognised for her strategic advocacy on issues pertaining to the protection of civilians affected by conflicts.

- **Mission in Washington and New York, November 2023**

The DRC enjoys a good reputation and is renowned in both Washington and the UN. This is believed to offer strong opportunities for the DRC's engagement, advocacy and fundraising in the US.

- **Global Refugee Forum (GRF) in Geneva, December 2023**

The UNHCR has introduced a new structure of 30 multistakeholder pledges which have all been reconciled with the four key objectives of the Global Compact on Refugees:

- 1) Ease the pressures on host countries
- 2) Enhance refugee self-reliance
- 3) Expand access to third-country solutions
- 4) Support conditions in countries of origin for return in safety and dignity

Most of these pledges resonate well with the DRC's mandate as a displacement organisation, and colleagues from the DRC are actively involved in the debates before, during and after the GRF.

In that connection, the Secretary General participates in a number of high-level events at the GRF.

## **Re 9) Any other business**

There was no further business.

**Board meetings in 2024**

Board/1	7 February 3.00-6.30 pm
Board/2	7 May 3.00-6.30 pm
Board/3	29 May 3.45-4.45 pm
Board/4	26 June 3.00-6.30 pm
Board/5	11 September 3.00-6.30 pm
Board/6	Seminar from 14 November at 6.00 pm to 15 November at 5.00 pm
Board/7	9 December from 3.00 to 6.30 pm