

Minutes of the meeting of the DRC Board of Directors on 12 September 2023

Present

From the Board of Directors:

Agi Csonka, Chair
 Bettina Bach (online)
 Juliane Marie Neiiendam
 Kim Simonsen
 Mette Fejfer
 Mustafa Rafiqyaar, employee representative
 Nina Boel (online)
 Ulla Næsby Tawiah
 Signe Husted Davidsen, observer (Chair of DFUNK).

From the Secretariat:

Charlotte Slente, Secretary General
 Vibeke Bach Madsen, Board Secretary
 Kasper Orloff, CFO, attended for agenda items 2, 3
 and 4
 Mingo Heiduk, Head of Civil Society Engagement,
 attended for item 6

Apologies

Vagn Berthelsen

Agenda

	Items		Contents
	National Giving Day 2023 / Camilla Ander Paarup, Project Manager, National Giving Day		Brief presentation to the Board of Directors of this year's National Giving Day: theme, focus countries, goals.
1)	Approval of agenda	Decision	Comments on the agenda
2)	Financial briefing / Kasper Orloff, CFO	Briefing	Annex 2.0 Cover note for Financial briefing Annex 2.1 Q2 2023 Financial briefing The budget update for January-July 2023 is presented to the Board of Directors.
3)	Briefing from the Audit Committee / Kasper Orloff, CFO	Briefing	The Audit Committee met most recently on 1 September 2023. The Board of Directors is briefed on the activities of the Audit Committee.
4)	Registration in Chad Charlotte Slente, Secretary General	Decision	Annex 4.0 Cover note for Approval of registration in Chad Annex 4.1 Recommendation to register in Chad The Board of Directors must approve the establishment of country operations. For the time being, registration with the subsequent possibility of establishing a country operation subject to the required sustainability is proposed.
	BREAK		

	Items		Contents
5)	Election of external Board members / Agi Csonka	Decision	Annex 5.0 Cover note for Election of external Board members Annex 5.1 CV of external Board member, the international area Annex 5.2 CV of external Board member, the climate area and business development Annex 5.3 CV of external Board member, digitisation, etc. The Board of Directors is to decide on the election of up to three external Board members.
6)	THEME: DRC's global vision and principles of localisation / Mingo Heiduk, Head of Civil Society Engagement	Discussion	Annex 6.0 Cover note for DRC's global vision and principles of localisation Annex 6.1 DRC's global vision and principles of localisation The DRC's recently prepared vision for and principles of localisation efforts towards 2030 is presented to the Board of Directors.
7)	Board of Directors' seminar 9-10 November 2023 / Agi Csonka	Discussion	Annex 7.0 Cover note for Board of Directors' seminar on 9-10 November 2023 The Board of Directors provides input to the seminar programme.
8)	Announcements from the Chair and the Secretary General	Briefing	
9)	Any other business		
	Recap after the meeting		The Board's 'free time' with the possibility to evaluate and recap the meeting.

National Giving Day on 5 November 2023

Camilla Ander Paarup, Project Manager of the National Giving Day, briefed the Board of Directors about the upcoming National Giving Day.

Like in previous years, the giving day concept consists of two elements: Door-to-door collection and the 'Draw a home' campaign.

Door-to-door collection

Once more, this year's theme is women and girls on the run. All girls and women deserve to feel safe and secure. All women and girls deserve the right to be heard. And all girls and women have the same rights as other people on the run.

Draw a home

The initiative of making children draw a home for the world's refugees and to use the drawings to raise financial support among family and friends will continue. This year, we will collaborate with the Louisiana Børnehus, the children's wing of the Louisiana Museum of Modern Art, which will both make drawing materials available and provide a framework for the activity as well as display drawings selected by a panel of judges.

Finally, it will be possible to visit a refugee home at Søhaven.

Re 1) Approval of agenda

The agenda was approved as presented above.

2) Financial briefing

Annex 2.0 *Cover note for Financial briefing* and Annex 2.1 *Q2 2023 Financial briefing* had been sent to the participants.

Kasper Orloff, CFO, gave an update on the H1 2023 budget.

Revenue has accelerated albeit we are still slightly below budget. Attempts will be made to reduce the shortfall in H2 2023. The bottom line is still above budget, which partly reflects the high *liquidity* and the resulting interest income.

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

As mentioned before, the budget no longer includes *losses*, so any losses incurred will have a direct impact on the bottom line. As provisions for potential losses were made in 2022, no major problems should arise in this area.

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

The Board found it reassuring to know that the accelerated implementation of programmes and projects is in focus, and that potential losses are monitored closely.

Re 3) Briefing from the Audit Committee

Kasper Orloff, CFO, briefed the Board of Directors on the latest meeting of the Audit Committee and on the issues considered in addition to the budget update.

Draft for strategy reserves (previously referred to as equity). The intention of the draft is to divide the DRC's reserves into three pools

- 1) *Non-restrictive* reserves, that is, funds that may cover any losses or cease of operations.
- 2) Contingency reserve which may come into play in situations where the DRC needs to act fast before donor funding is received.
- 3) Investment reserve which ensures that the DRC can launch major investments.

The three pools are meant to make visible and ensure that surplus capital is put to work in support of the DRC's goals.

The Audit Committee has asked the Secretariat in collaboration with Deloitte to make a risk assessment of third-party obligations, that is, an assessment of the size of the *non-restrictive* reserve pool.

A final proposal for the overall policy will be presented to the Board of Directors for approval at a meeting before the end of the year.

Internal audit – future strategy

It is suggested to maintain the current scope and follow-up on the reports prepared.

Moreover, efforts will be made to optimise the relationship between internal and external audit and the follow-up of Finance.

Solidarity Pool – proposed contribution for 2024

The DRC Solidarity Pool consists of contributions made by all DRC expats to a joint pool covering taxation in the countries in which the DRC has a taxable obligation for salaries.

The Audit Committee asked the Secretariat to ensure a contribution percentage that covers the assessed risks.

DRC's complaint mechanism (Code of Conduct Reporting Mechanism)

There were no matters of relevance to the Audit Committee.

Re 4) Registration in Chad

Annex 4.0 *Cover note for Approval of registration in Chad* and Annex 4.1 *Recommendation to register in Chad* had been sent to the participants.

Charlotte Slente, Secretary General, gave an account of the background to the proposal to register in Chad.

Based on the possibilities identified in Chad, the Board of Directors was recommended to approve the registration of DRC Chad in a two-stage process:

- 1) An initial 'soft' registration supported by the DRC's regional office in Dakar just with visits to Chad where relations with local authorities, partners and local representatives of donors will be developed.
- 2) Establishment of a proper country operation when sufficient funds have been identified, most likely in Q4 2023 / Q1 2024.

The registration of DRC Chad will enable the DRC to supplement and strengthen the current activities which have been implemented through partners and/or have been managed remotely from the regional office since Q3 2022 to support refugees fleeing the crisis in Sudan.

There are good funding opportunities in Chad, but registration in the country is required.

⇒ **Decisions:** *The Board of Directors approved the proposed two-stage process with a so-called 'soft' registration followed by the establishment of a proper country operation when sufficient funds have been identified.*

Re 5) Election of external Board members

The following annexes had been sent to the participants:

Annex 5.0 *Cover note for Election of external Board members*

Annex 5.1 *CV of external Board member, the international area*

Annex 5.2 *CV of external Board member, the climate area and business development*

Annex 5.3 *CV of external Board member, digitisation, etc.*

According to Article 12(3) of the Statutes of the DRC, when electing its officers, the Board of Directors must assess whether there is a need for additional skills by appointing up to three external members.

When electing its officers on 20 June 2023, the Board of Directors decided to add skills by appointing two external members for the Board of Directors to cover the areas of business development/innovation, digitisation and sustainability/climate change adaptation.

The Board of Directors were encouraged to submit proposals for candidates who could cover the identified areas, and the Chairpersonship would then contact the candidates, explore the possibilities and nominate specific candidates for approval by the Board of Directors at the present meeting.

The Chairpersonship has talked to a number of candidates and recommend that the Board of Directors approve the three candidates proposed.

⇒ **Decisions:** *The Board of Directors approved the three nominated candidates as external members of the Board of Directors and welcomed*

- *Ulla Næsby Tawiah, Director of Danida Fellowship Centre which supports sustainable development and equal opportunities through training and learning programmes, research and knowledge sharing. Ulla brings specific knowledge and skills from the international area. Following the appointment, Ulla will embark on her second period on the Board.*
- *Torben Huss is CEO of the Investment Fund for Developing Countries (IFU) which promotes green and/or more just and inclusive societies in growth markets and contributes to meeting the SDGs. Torben brings specific knowledge and skills from the climate area.*
- *Henrik Bodskov is CEO of Aeven which works with Adaptive Digital Infrastructure. Henrik has previously been CEO of IBM Denmark. Henrik brings specific knowledge and skills from the digitisation area.*

Re 6) THEME: DRC's global vision for and principles of localisation

Annex 6.0 Cover note for DRC's global vision and principles of localisation and Annex 6.1 DRC's global vision and principles of localisation had been sent to the participants.

Mingo Heiduk, Head of Civil Society Engagement and localisation lead at the DRC, presented the DRC's new vision and principles of localisation.

For a number of years, the DRC has discussed localisation, and localisation was the strategic theme at the Board of Directors' seminar in 2021.

GO LOCAL is a key organisational principle of the DRC Strategy 2025 with the aim that *'DRC commits to support people affected by conflict and displacement by building self-sustainable local capacities and sustainable local development into our programming and operations'*.

The organisation has prepared a vision and principles for localisation based on discussions in the organisation, including at the Directors' Conference in June 2023 with the participation of all Country Directors, among others.

DRC's vision for localisation

In 2023, the DRC's key implementation method will be one in which the DRC systematically supports, facilitates and strengthens local actors and systems in their leading role in crisis response and in promoting durable solutions for people affected by conflict and displacement. The DRC can implement directly when relevant analyses show that it is necessary and adds value in a given context and situation.

To this should be added **two principles** that are to support the DRC's response:

- 1) Implementation in partnership with and in support of local actors and systems is the main modality unless there is justification for direct implementation.
- 2) DRC implements directly when it is appropriate and adds value.

The localisation efforts involve collaboration with local civil societies as well as government and private sector players and will change over time from situations where local partners are subsuppliers over situations with equitable partnerships to situations where DRC is the subsupplier.

DRC has established a governance structure that is to support both the programmatic and the administrative development and handling of DRC's localisation efforts.

DRC is currently working on the development of the necessary tools and guidance for the development of country-based and contextualised localisation strategies and roadmaps, and materials to support the individual countries' localisation efforts across a response framework are being prepared.

Localisation – also a donor requirement

The localisation agenda is important to the donors who are also in the process of unfolding policies and guidelines that INGOs must deliver on and follow.

At first glance, the donors wish to channel funds through major partner NGOs to the local actors and in this way support the transition. This matches the DRC's ambition of maximising its impact and to reach more displaced people. The collaboration with local actors can support this ambition.

Obviously, there are a number of issues concerning key elements such as securing the necessary indirect funding of both INGOs and local partners, handling and sharing risks, such as ensuring compliance, vetting procedures, impartiality, etc.

Examples from the DRC

At the DRC, we have many examples of very close partnerships with local actors. For example, legal aid is almost always provided in collaboration with local actors, and we have several examples of strong partnerships in our response to the conflict in neighbouring countries of Ukraine, Uganda and Somalia. DRC Kenya, which has supported a refugee organisation into becoming a strong advocate of refugee rights, is yet another example.

⇒ **Recap:** *The Board of Directors thanked for a very inspiring and informative presentation and discussion. There is no doubt that the direction is right and necessary, and it is gratifying to see that DRC is advancing on the agenda in keeping with the strategic decisions outlined in the DRC Strategy 2025.*

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

The Board of Directors will hold its seminar in November to have sufficient time for strategic discussions and to support its development as an efficient team.

Time will be allowed for welcoming new members on the Board and discussing the future collaboration and for an update on the implementation of the DRC Strategy 2025.

The following themes have been proposed for the seminar: Greening with focus on reducing the footprint of the organisation as well as on the development and adaptation of programmes and focus on the development of the collaboration with the Council.

⇒ **Decisions:** *The proposed subjects and themes were backed by the Board. The Board decided to give high priority to good examples, preferably to be presented by an external speaker, and it was also considered important to discuss the collaboration with the Council in depth.*

The Chairpersonship will prepare a draft seminar programme together with the Secretariat and send it to the Board members for comments.

It was also proposed to include a thematic discussion on cybersecurity and the DRC's diversity efforts. The proposals will be added to the list of potential themes for discussion at an ordinary Board meeting in 2024.

Re 8) Announcements from the Chair and the Secretary General

- **Extraordinary Council meeting on 11 October 2023**

The reason for the extraordinary Council meeting is that, for the sake of our continued and very important operation in Afghanistan, it needs to be incorporated in the Statutes that the DRC is a non-profit organisation.

In the opinion of the Afghan authorities, it does not appear from the DRC's Statutes that we are a non-profit organisation as the exact words do not appear from our Statutes. The

authorities have therefore refused to let the DRC operate on ordinary NGO conditions in the country, including being exempt from various taxes, as long as this is not reflected in our Statutes.

As the funds for activities in Afghanistan are sparse and the distress and need are greater than ever, it is decisive that we can continue to allocate as much of the funds for the operation as possible to the benefit of the Afghan population.

We therefore ask you to attend this extraordinary Council meeting, the purpose of which is to amend our Statutes to ensure that it appears explicitly that the DRC is a non-profit organisation.

The extraordinary Council meeting will be followed by a **thematic meeting on the refugee situation in Europe and Denmark**.

As discussed at both the Council meeting and the latest Board meeting, we wish to take various measures to support the interaction with the Council, including, as proposed, thematic meetings.

We have therefore decided to use the need for an amendment of the Statutes to invite to a thematic meeting focused on the refugee situation in Europe and Denmark with a presentation by Eva Singer, Head of Asylum.

- **DRC invites to World Press Photo 2023, 'The human behind the conflicts'** – A talk between Peter Hove, Head of Photos at Politiken, and Charlotte Slente, DRC General Secretary.

Invitation to participate in the event at Politikens Hus on **11 October 2023 from 8.15 pm to 10.00 pm**.

It will be an exclusive event for DRC's donors, partners, Council members/member organisations and partner NGOs.

Re 9) Any other business

- No further business to be transacted under this item.

Board of Directors meetings in 2023

Board/6 Seminar from 9 November at 6.00 pm to 10 November at 6.00 pm

Board/7 5 December from 3.00 pm to 6.30 pm