

## Minutes of the meeting of the DRC Board of Directors on 24 April 2025

### Present

#### From the Board of Directors:

Carsten Stendevad, Chairperson  
 Caroline Tromer Dragsdahl  
 Kim Simonsen  
 Mette Fejfer  
 Nina Boel  
 Rasmus Stuhr Jakobsen  
 Torben Huss  
 Ulla Næsby Tawiah  
 Vagn Berthelsen

#### From the secretariat:

Charlotte Slente, Secretary General  
 Vibeke Bach Madsen, secretary of the board  
 Kasper Orloff, CFO, under item 3

#### Apologies

Henrik Bodskov  
 Tarek Kelani, observer (Chairperson in DFUNK)

### Agenda

	Points		Content
1)	<b>Approval of the agenda</b> / Carsten Stendevad	Decision	Comments on the agenda.
2)	<b>Declaration of conflict of interest</b> / Carsten Stendevad	Decision	Members of the Board declare if they have any conflict of interest in relation to any items discussed at the meeting.
3)	<b>Update on USG Executive Order</b> / Charlotte Slente and Kasper Orloff	Information	Annex 3.0 Cover note for update on USG Executive Order, incl. overview of awards  The Board of Directors will get an update on the situation, implications and initial decisions made by the Executive Management Team.
4)	<b>DRC towards 2026</b> / Charlotte Slente	Information and decision	Annex 4.0 Cover note DRC towards 2026 Annex 4.1 Recommendation re. closure of country operations Annex 4.2 Overview of DRC presence The Board of Directors is presented with the progress of the adjustments of the

	Points		Content
			organization and will be asked to approve closure of a number of country operations.
5)	AOB		

## Re 1) Approval of agenda

The agenda was approved as presented above.

## Re 2) Declaration of conflict of interest

The Chairperson asked the Board of Directors to declare if they have any conflict of interest in relation to any items discussed at the meeting.

No one had any conflict of interest to declare.

## Re 3) Update on USG Executive Order

The following annex had been sent to the Board members: Annex 3.0 *Cover note for update on USG Executive Order, incl. overview of awards*

### Status on DRC awards

Charlotte Slente, Secretary General, gave an update on the US Government Executive Orders regarding the American humanitarian aid. Since the initial stop-work-order 24 January 2025 there has been a process with information from the US administration including waivers, suspensions, terminations, cancellations of suspensions and terminations, etc. – quite a number of iterations.

DRC has started to receive reimbursements for both Q4 2024 and for the suspension period Q1 2025, and a total of 12 awards out of 29 have been resumed. As a consequence of the stop-work-orders and terminations of awards, app. 1,300 staff in countries and regional offices have been released.

### Financial information

Kasper Orloff, CFO, gave an update on the tentative results for 2024. The auditors are still working on the numbers, but for now, it looks as if the result will be positive. The final result and the approval of the Annual Report will be on the agenda at the Board meeting on 14 May 2025.

Kasper Orloff also gave financial status as per March 2025 showing that the *revenue* is above the forecast for 2025 made in March 2025.

The *financial results* for the period are higher than budget and forecast.

The *liquidity* is high and at a comfortable level.

Given the situation after the US Government decisions, it has been decided to cancel the *strategic investments and own funds allocations* for 2025 – apart from a smaller amount dedicated to IT security, some of the planned localization initiatives and some contributions to selected country operations.

⇒ **Recap:** The Board of Directors expressed its thanks for the briefing that gives a good overview of the situation and how the USG executive orders affect DRC. The Board acknowledges the work delivered from country operations, regions and headquarters.

## Re 4) DRC towards 2026

The following annexes had been sent to the Board members:

Annex 4.0 Cover note DRC towards 2026

Annex 4.1 Recommendation re. closure of country operations

Annex 4.2 Overview of DRC presence

Charlotte Slente, Secretary General, gave a presentation on the adjustments in DRC planned for by the Executive Management Team given the situation where the US Government has terminated awards and looking into a future where the continued funding from the US is very uncertain.

### US aid going forward

Based on Foresight methodology, DRC has estimated the consequences for the displaced people globally in a situation where all US funding for peacebuilding and food aid is suspended – or stopped. An additional 3.4 million people are expected to be displaced on top of the current baseline forecast of 4.2 million by end-2025. Furthermore, it is expected that a decrease in the global reach toward displaced people must be expected. If US funding is fully cut, only about ¼ of people in need globally will get support.

### Future US funding

The situation is still uncertain as there is no clear direction for the future of the US funding going forward. As of April, 80% of global US development/humanitarian funding in 2025 has been cut. The 90-day review of USG foreign aid has been extended, for the time being by 30 days.

USG funding will likely be reduced to humanitarian, lifesaving programs.

DRC has continued intention to try to access US funding whenever possible without compromising DRC principles and mandate.

### The 'Humanitarian Reset'

The funding landscape is changing significantly – with increased competition. The USA funding reductions are expected to be followed by some European donors. As a consequence, the Humanitarian Response Plans are expected to have a catastrophically low funding rate.

There is a risk that priorities will be on urgent life-saving actions and thus de-prioritization of activities towards protection and prevention or resilience building.

It is expected that there will be a continued strong focus on localization (mostly from an expected cost savings assumption).

DRC will continue to advocate that there is no core humanitarian aid without protection. The importance to maintaining focus on anticipatory action and building resilience/support for livelihoods, and that localization is not a cost saving exercise, but a moral imperative.

### The situation requires adjustments of the organization

DRC has a clear mandate and clear areas of competence with a strong focus on results/impact.

It is important to put country offices at the center and strengthen fundraising, branding, advocacy, communication – visibility. There will be continued work on strengthening programmatic quality and continued focus on the localization agenda.

### DRC towards 2026 – expected no or very reduced US funding

The Executive Management Team (EMT) has been working on how best to adjust the organization to a new reality expecting no or very reduced US funding. This implies reduced overhead costs.

Focus will be on the absolute core, accepting to let go of activities and areas that are less core.

It implies reducing geographical presence by closing country operations not considered viable after US funding cuts. And it implies reducing complexity by closing stand-alone activity areas considered less core or dependent on US funding.

Furthermore, the aim is to have a leaner organization with one clear oversight level.

### Recommendation to close country operations

According to the DRC's statutes, the Secretary General is authorized to open and close legal entities and

offices. It is, though, custom that the Board of Directors approve the opening and closure of Country Operations.

The Executive Management Team has assessed the sustainability of all country operations. This assessment is done every year assessing a set of criteria including strategic relevance and financial viability.

Based on the assessment it is recommended to close the following country operations:

- Mexico
- Central African Republic
- Tanzania
- Burundi
- Georgia
- Kosovo

⇒ **Decisions:** *The Board of Directors thanked for the presentation and the thorough work done by the Executive management Team and the whole organization. It is acknowledged that the development regarding the US funding have had very serious consequences for DRC, which require immediate actions. It has been an extraordinary task handling both the stop-work-order situation and at the same time working out how to adjust the organization to a new reality with expectations of no or very limited US funding going forward.*

*The Board expressed its support for the strategic direction and the savings planned by EMT. The Board approved the closure of country operations based on the sustainability analyses.*

## Re 5) Any other business

No further business was transacted under this item.

### Board meetings in 2025

Board/2	14 May
Board/3	23 June
Board/4	15 September
Board/5	8 December