

# 2025 BUDGET REVISION

## Divisions and headquarters départements

Paris, April 11th, 2025

Most of you have by now become familiar with the exercise of budget revision.

As every year, this will involve updating your initial forecasts to take into account any modifications made to your targets regarding income and/or expenditure for the first months of 2025 and thinking about any corrective action that needs to be implemented, if applicable, in order to preserve the overall financial equilibrium of the organisation.

This year, the exercise must be carried out with increased rigor and analysis.

Indeed, the context has changed between the period when the 2025 forecast was drawn up in the fall of 2024 and today. The freeze on U.S. funding, the downward revision of Official Development Assistance by most Western countries, and France's constrained budget are pushing us to redefine the rules of this 2025 budget revision. And while the impacts are not yet significant for 2025, it is essential to start anticipating 2026 and the consequences this will have on the funding of our operations, which should start to make themselves felt: we therefore need to be even more cautious in estimating the human and financial resources required for our activities

Many initiatives are underway to limit the impact of this decrease in our funding, which will begin in 2025 but become more noticeable in 2026. We aim to reach out to new donors and funding sources, both public (Netherlands, UK, Norway, etc.) and private (United States, etc.).

### MAIN PRINCIPLES

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We would like to draw your attention to the following points:

#### **1. Solidarity and Shared responsibility**

Solidarity among the five main budget lines, all of which must be reviewed (France Operations, International Operations, Network, Expertise Costs – including operations, advocacy, communications, HR, finance, logistics, legal, etc. – and Fundraising Expenses).

Solidarity among operational teams: countries affected by the freeze in U.S. funding or by cuts in Official Development Assistance are not the only ones expected to make efforts.

Solidarity between France-based operations and international operations.

Solidarity between headquarters and field operations.

#### **2. Quality**

It is essential that any potential budget cuts or reprioritization by departments or services do not compromise the quality of our practices and projects.

### **3. Security**

Moreover, the safety of our teams remains a top priority, and no cuts should jeopardise the security of our staff in the countries where we operate.

### **4. Continuation of Investment for the future**

It is important not to undermine our future; therefore, no proposed measures should prevent us, collectively, from continuing to invest going forward.

#### **IN CONCRETE TERMS, WE URGE YOU TO PAY PARTICULAR ATTENTION TO:**

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##### **Unrestricted funds levels (RNA):**

It is important not to increase RNA requests beyond the overall budget envelopes per expenditure category, as decided in the initial budget, and ideally to reduce them.

##### **Human Resources (HR):**

The revised budget should not be used as an opportunity to propose new positions at headquarters. Our objective is to maintain, at a minimum, a stable headcount between the initial forecast and the revised budget. Furthermore, any departure from a department or service (due to retirement, mutual agreement, resignation, various types of leave, or end of fixed-term contracts) must be an opportunity to reassess the organizational structure. No position will be automatically replaced.

This reflection also applies to positions included in the initial forecast budget that have not yet been recruited. A collective analysis of headquarters staff numbers will be carried out by the CODIR after the review commissions.

##### **Headquarters Procurement Procedures: Purchase of Goods, Services, and/or Consultancies**

New procurement procedures applied to headquarters were introduced at the beginning of 2025. It is therefore essential that all contracts with service providers be subject to competitive bidding in accordance with these new rules, which apply to everyone.

This competitive process often leads to price negotiations in our favour.

Consultancies must also go through a competitive selection process and be clearly justified to ensure there is no overlap between headquarters staff and consultants.

##### **Travel for project support and collective travel for workshops, conferences, etc.:**

In line with the quality principle mentioned above, travel for field support is not being questioned, as long as it follows the usual procedures. However, it is important to assess whether a given project or area has already benefited from several support missions over the past year.

Any group travel to attend a conference, workshop, or other event must be carefully evaluated—particularly regarding the number of participants attending the same event and the specific objectives of our participation. As of now, upcoming conference participation has been jointly reviewed by the DOI, DOF, and DSP to ensure coherence. If additional requests arise, a joint decision will be made by the DOI, DOF, and DSP.

##### **Unforeseen costs envelope:**

At the time of the forecast, we had set aside a budget for emergencies and unforeseen circumstances, whether in the international field, in France or at headquarters. This budget of 1 million euros has already been used (US funding freeze, earthquake in Myanmar, emergency in Goma, etc.). Given the uncertainty of the coming months, it will be important to rebuild this envelope (if possible, to the same level as the budget) in order to be able to respond to any emergencies or decisions concerning our funding.

Some decisions to reduce our expenditure have already been taken (no repositioning of HR in 2025, abolition of the festival of "grands maux" / "faire corps" planned for autumn 2025, etc.) and the revised budget will certainly be the time to take others.

## WHO IS INVOLVED

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This year, the exercise will cover all budgets, with particular attention given to those whose budgetary variations could have a significant impact on the fiscal year.

## METHOD USED TO ESTABLISH THE BUDGET REVISION

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The budget revision relates simultaneously to :

- Operating expenditure
- HR expenditure
- Investment expenditure
- Income

This budget revision is carried out in two phases:

- An analysis of expenditures and revenues recorded during the first months of the year (at least up to the end of March, and ideally up to the end of April)
- An estimation of expenditures and revenues for the remainder of the year

A revised budget is also built on past data:

- The aim is to develop a revised budget as close to reality as possible by relying on actuals from the past two years (2023 & 2024). The 2024 actuals should serve as a reference for building the 2025 revised budget; you will find in the 'Budget' tab, columns provided for this purpose.

Instructions and a specific format will be sent to each director concerning HR in each Directorate.

## WHAT TOOL TO USE

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2025 is a year of transition to our new software SAP, which will be deployed as of July 2025 for all headquarters services.

This year, we are offering you a simplified file, that does not include details as in previous years.

Mélanie et Mwene have prepared **one or more files** concerning your scope as well as an **operating procedure** to enable you to complete the revised 2025. You will receive them at the same time as the instructions.

Focus 2024 Achievement: You will also find the final 2024 Achievements in the revised file. This will be used as an indicator for the 2025 revision.

## Focus on investments

A purchase is considered to be an investment when it involves an asset with a useful life of more than one year. For example: a vehicle, fitting out premises or purchasing computers.

Making this distinction in the budget allows these investments to be depreciated over their useful life, i.e. over several years.

We also ask you to indicate any investments planned for this year in the 'comments' tab.

For any depreciation calculations, please contact Nouria Kalai (CGP Siege) or Mwene Ondzotto (CGF Siege), who will help you with this work.

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## PLANNING

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- April 11: sending of budget instructions
- From April 13 to May 9: Mélanie and Mwene will remain available to assist departments if needed
- Until May 9: Submission of expenditure budgets (including investments) and resource budgets (Fundraising, Legacies, private funding, network – including unrestricted fundraising, etc.) to Mélanie and Mwene. Internal trade-offs between departments within the same division must be made prior to submission.
- May 13 to May 17: DFJ reviews and works on various elements.
- May 30: First compilation – France, HQ, International HR → sent to departments  
Internal compilation within each department: analysis and arbitration
- Between June 2 and June 8: Revised budget review commissions
- June 17: Strategic arbitrations in the Executive Committee (CODIR)
- June 18: Second compilation following feedback from departments
- June 20: Finalization of figures
- June 23 to June 27: Back-and-forth on the presentation (PPT) between the General Director and Department Directors, and preparation of synthesis elements and analyses:
  - Key highlights of the period
  - FTEs and salary mass by department, Actuals/Initial Budget/Revised
  - Impact of annual salary negotiations (NAO)
  - Comparison of Initial Budget vs Revised Budget by expense category
- June 27: sending the presentation to Board members
- July 4: Board of Directors meeting

Mélanie, Mwene and Nouria will be pleased to answer any questions you may have about operating expenses, capital expenditure and revenue, at the following address:

[melanie.croisnier@medecinsdumonde.net](mailto:melanie.croisnier@medecinsdumonde.net)

[mwene.ondzotto@medecinsdumonde.net](mailto:mwene.ondzotto@medecinsdumonde.net)

[nouria.kalai@medecinsdumonde.net](mailto:nouria.kalai@medecinsdumonde.net)

Good luck with this exercise, which must be carried out on schedule, and which will enable us all to have a reliable and realistic revised budget.

See you all soon,

Joël Weiler, General Director

Jennie Saint-Sulpice, Legal and Financial Director