

NRC

NORWEGIAN
REFUGEE COUNCIL



Annual Report 2017 from the Board

MAY 2018

Cover photo: Children forced to flee in a settlement for displaced people in Mpati, North Kivu, in the Democratic Republic of the Congo. Many internally displaced children miss out on education and boys risk being recruited by armed groups. NRC provides education , food security and legal assistance in the area.

Photo: Christian Jepsen/NRC

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Reaching more communities in crisis

Entering 2017, over 65.6 million people were displaced by war and violence. 128 million needed humanitarian aid. While the number of displaced people and humanitarian needs are increasing, we expanded our work and were able to help more people than ever before. NRC reached a record number of people in response to the urgent need, assisting 8.7 million individuals.

Protracted crises

Protracted crises consumed much of our work in 2017. Conflicts in Yemen, South Sudan and the Democratic Republic of the Congo continued unabated. In Yemen, acute shortages of water, food and fuel caused by the war and blockade of commercial and humanitarian goods have created a massive man-made humanitarian crisis with three million people displaced and 22 million people in need of assistance. We scaled up our emergency operation in response and spoke out boldly against atrocities.

Similarly, the Lake Chad region faced hunger, cholera and conflict. In Nigeria, our emergency teams provided lifesaving assistance, while our food security and livelihood staff helped people become self-sufficient.

In Syria, conflict lines shifted but the human suffering remained acute. Government-backed troops retook large swaths of the country from opposition forces. Half-a-million people were trapped in besieged areas. Our teams provided food, livelihood support and rehabilitated community structures.

Stepping up to meet increased needs

While we began the year faced with multiple potential famines, NRC was part of an international effort that helped to avert or reduce mass starvation in Somalia, South Sudan, Yemen and Nigeria.

We expanded our presence to better help communities in crisis. We opened a country office in Cameroon to broaden our response to the Lake Chad crisis. We established a representation office in Berlin, to collaborate with the German government, an increasingly important actor in the global refugee response and humanitarian assistance. In Burkina Faso, we closed our operations and handed over programmes to international and local partners.

Our NORCAP experts contributed vital skills to the humanitarian, development and peacebuilding sectors in 77 countries across the globe.

NRC grew in terms of resources and funding. This enabled us to assist more people in need, with higher quality services. Many more people, however, remain in need of

assistance and protection in hard-to-reach areas. Extreme risks, lack of permissions from authorities and conflict parties, and destroyed infrastructure were among the barriers faced in reaching vulnerable communities.

Entering 2018, we have new strategic objectives for the coming three years. We will expand our work in neglected crises, assist more people in hard-to-reach areas and promote long-lasting solutions. Additionally, we will strengthen integration among our programmes to provide a more comprehensive response, all while including protection and cash assistance in our operations. Our main ambition is to be the leading displacement organisation serving people that are hard to reach.

NRC's mandate and organisational set-up

The Norwegian Refugee Council is an independent humanitarian organisation helping people forced to flee conflict, crisis and disaster. We are Norway's largest international humanitarian organisation and are widely recognised as a leading field-based displacement agency within the international humanitarian community.

When we started our relief efforts after World War Two, humanitarian needs were critical. They still are – and we're still here, protecting people and supporting them as they build a new future.

In 2017, we worked in both new and protracted crises across 31 countries. NRC's main activity is the delivery of humanitarian aid through programme activities in the field. We specialise in six areas of expertise, or "core competences": shelter and settlements; livelihoods and food security; information, counselling and legal assistance (ICLA); education; camp management; and water, sanitation and hygiene promotion (WASH). Our areas of expertise are adapted to different contexts and are mutually reinforcing.

NRC is a determined advocate for displaced people. When we witness injustices, we alert the world. We promote and defend displaced people's rights and dignity in local communities, with national governments and in the international arena. NRC's Internal Displacement Monitoring Centre (IDMC) in Geneva is a global leader in monitoring, reporting on and advocating for people displaced within their own country.

Through our expert deployment capacity, NORCAP, we provide expertise to the humanitarian, development and peacebuilding sectors. With a total of around 1,000 experts from all over the world, we build partnerships with international organisations and national actors to protect lives, rights and livelihoods.

At the end of 2017, 14,400 people worked with and for displaced people on behalf of NRC. Of these, NRC employed a total of 7,400 staff members. Most of our staff are hired locally to work in the field, and a small number are based at our head office in Oslo.

NRC's country programmes are managed and coordinated by four regional offices. The regional office for the Middle East is based in Amman, the East Africa and Yemen region in Nairobi and the Asia, Europe and Latin-America region in Oslo. The Central and West Africa regional office, currently operating out of Oslo will move to Dakar in 2018. In addition, NRC has representation offices in Brussels, Geneva, Amman (for the Gulf countries), Berlin, Washington DC and liaison functions in London and Addis Ababa (liaison to the African Union). These representation offices have been established to ensure close and ongoing dialogue with decision-makers and partners around the world.

NRC's head office is located in Oslo, and we participate actively in Norwegian public discussions, engaging in a broad range of information, advocacy and fundraising efforts on displacement issues targeting decision-makers, civil society and the public at large.

Programme activities

In 2017, NRC reached 8.7 million individuals, a substantial increase from 2016. We managed operations in 31 countries: Afghanistan, Burkina Faso, Cameroon, Central African Republic, Colombia, Democratic Republic of the Congo, Djibouti, Ecuador, Eritrea, Ethiopia, Greece, Honduras, Iran, Iraq, Jordan, Kenya, Lebanon, Mali, Myanmar, Nigeria, Palestine, Panama, Somalia, South Sudan, Syria, Tanzania, Turkey, Uganda, Ukraine, Venezuela and Yemen.

Increased unrest and subsequent displacement in the Lake Chad basin has led NRC to scale up our response throughout the region. In 2017, we established operations in Cameroon and in 2018 we will strengthen our regional presence by opening a regional office in Dakar, Senegal. Additionally, our teams assessed the need for humanitarian assistance in Libya during 2017, and as a result we will initiate operations there in 2018.

We handed over our operations in Burkina Faso to other INGOs and NGOs due to a decrease in funding allocated to refugees in the country.

The organisation's operations did not result in any significant environmental pollution.

Expanding our reach

NRC continued to increase our ability to reach more people with emergency assistance in hard-to-reach areas. In Syria, we provided food, while building and supporting shelter, education and sanitary facilities. In Yemen, we assisted people at risk of famine. In eastern DR Congo, which experienced the highest number of

new displacements in Africa last year, our teams reached hundreds of thousands with educational, food security and legal assistance. We helped prevent a food crisis in Somalia, thanks to an early release of funding by donors and a large-scale response which including food distributions and cash transfers. While the humanitarian crisis deepened in South Sudan, our mobile emergency teams assisted displaced people with shelter, food and clean water.

In areas where the scale of the emergency made it difficult for our in-country operation's to respond adequately, we sent additional staff to help on a temporary basis. 27 experts provided short-term assistance in 12 countries. Our emergency response teams handed out supplies and food to Afghans returning from Pakistan in the middle of winter. In Iraq, they helped people fleeing Mosul.

Maintaining our neutral and impartial position, we negotiated with governments and non-state groups to assist people in areas that are hard to reach. In Turkey and Pakistan and Bangladesh we faced bureaucratic barriers preventing us from operating. We continue efforts to be able to work in these countries. We also trained our staff in humanitarian negotiations. In Mali, DR Congo and the Central African Republic, we launched mediation initiatives aiming to access the hardest-to-reach areas and to reduce tensions and violence within communities.

In protracted crises, we supported displaced people to integrate into host communities. In the large refugee-hosting countries of Ethiopia, Kenya and Uganda, we helped displaced people find new livelihoods. In Colombia, our teams supported the re-integration process following the peace agreements. In Iran, we enabled education for Afghan refugees who have been displaced for decades. In Kenya, we informed Somali refugees about living conditions in their home country, so they could make well-informed decisions on going back. We also spoke up against preliminary and forced returns in countries such as Afghanistan and Syria.

Security and risk management

In 2017 we improved our security management systems through improved cooperation between programmes and security, including implementation of mandatory area security risk assessments.

Our security section and its roving team trained over 184 staff throughout the year through seven hostile environment awareness training (HEAT) trainings, preparing them for work in high-risk countries. We furthermore conducted two Training of Trainers courses to strengthen training capacity for our national staff. In 2018, this work will be enhanced further through the development of a competency matrix and a global security training strategy.

In 2017, our security and HR staff established an e-learning module to enable line managers in NRC to take responsibility for safe working practices and processes. Additionally, we started work on a new safety and security management system that will accommodate a stronger integration with line and risk management.

The security monitoring scheme that was implemented for NORCAP in 2016 and automatically administered through the NORCAP database was used throughout 2017 with some minor changes. The monitoring gives us useful information to act in a timely manner on security gaps during deployments. For Ukraine and Somalia, NORCAP has developed specific security follow-up to bring host organisations up to our standards or to reinforce security in deployments related to capacity building of national actors. A part-time position has been dedicated to this work in 2018.

Innovation

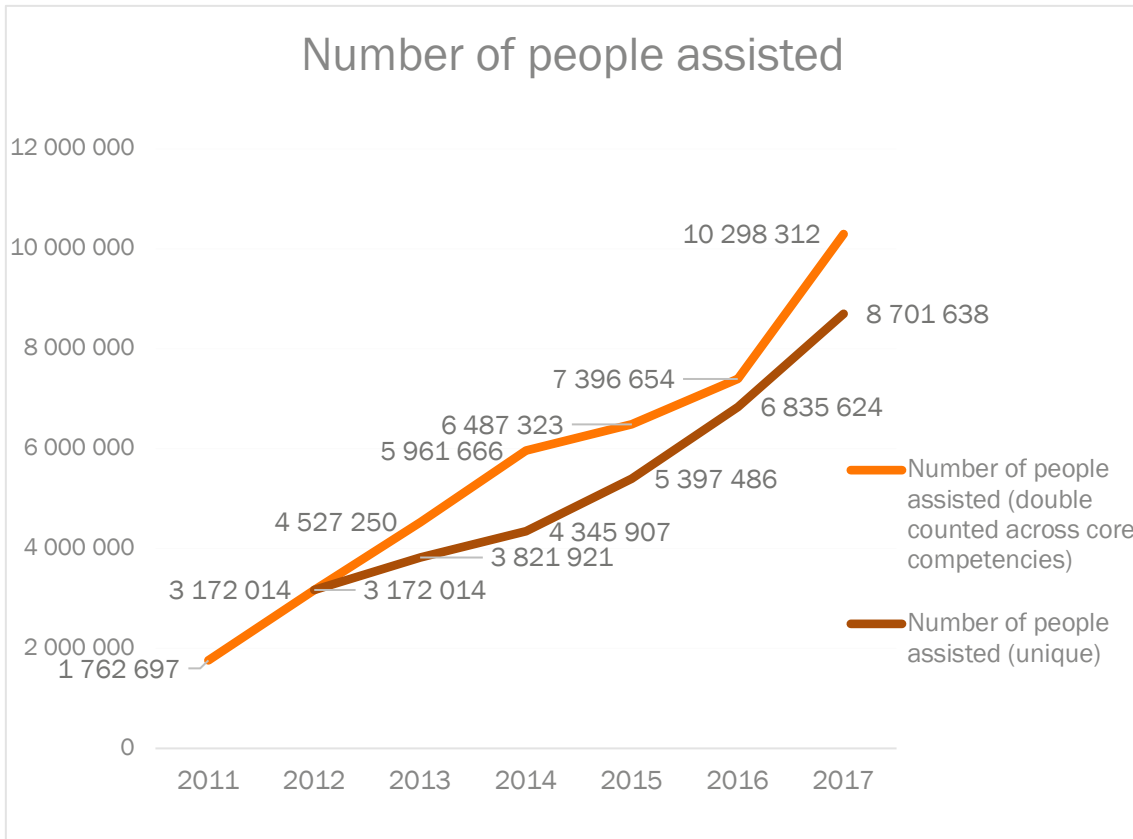
New technology and funding gaps are driving humanitarian organisations to develop new ways of assisting people in need. NRC's innovation projects draw on the creativity of partners, staff and displaced people to create ways of delivering services more efficiently, reaching more people and ultimately finding lasting solutions to displacement.

We initiated our work with the establishment of an internal innovation fund in 2016 and scaled it up in 2017. The lessons we learned from the fund have been crucial to structuring and developing innovative thinking within the organisation. It allows us to test what works and what does not work. Our experiences so far indicate that some of the projects we funded in 2017 moved forward with solutions too quickly, not investing enough time in gaining insight into the problem they were seeking to solve. This led to new challenges during the implementation phase of the project, which we could have avoided by prioritising a more focused insight phase. Moving forward we will therefore increase funding for the initial phases of the innovation process.

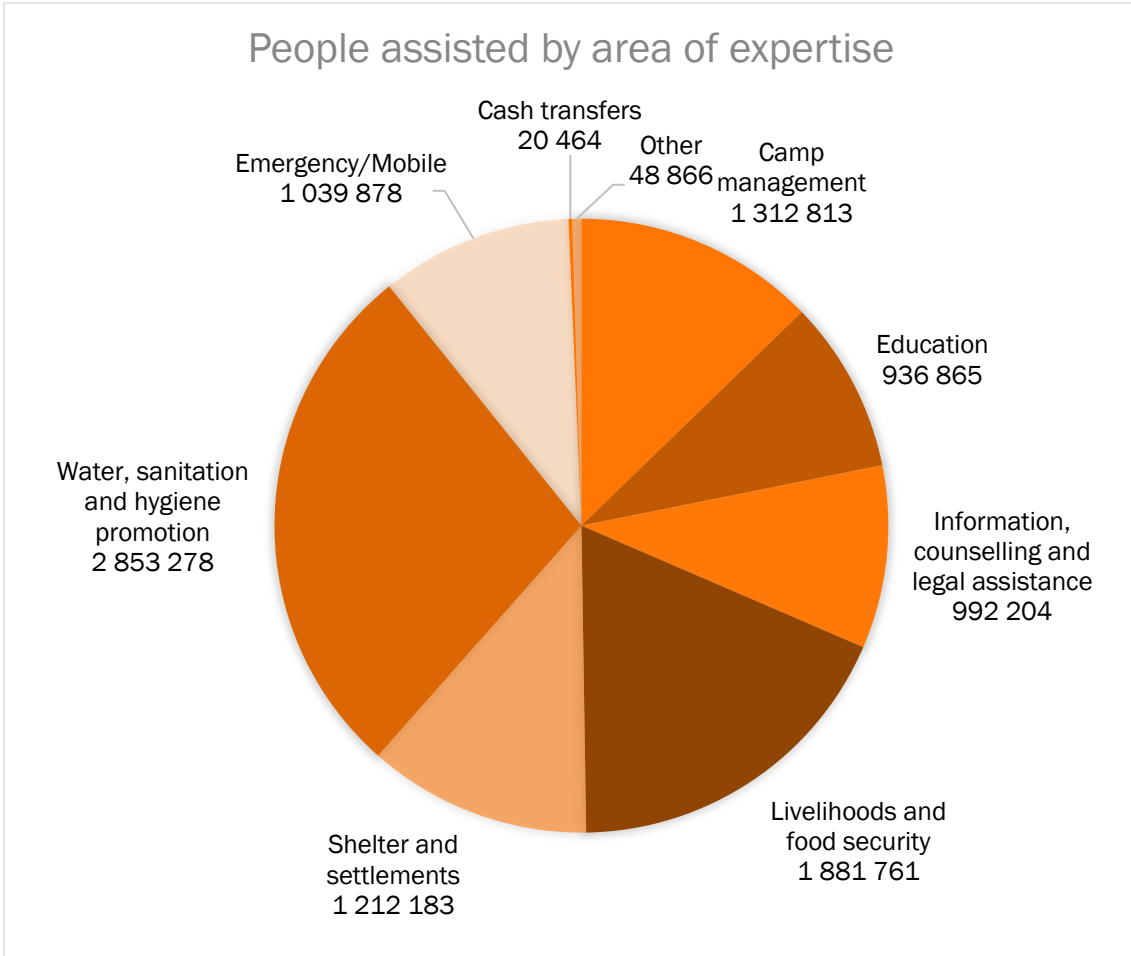
Innovation Norway funds the Humanitarian Innovation Platform, an innovation collaboration between NRC and three other Norwegian NGOs. The project is aimed at increasing capacity for innovation in the organisations, as well as facilitating new partnerships between organisations as well as between organisations and the private sector. NRC was the lead partner in the first project phase. We are also the lead partner on another Innovation Norway-funded project, focusing on promoting change in hygiene practices.

In numbers: people assisted in 2017

2017 saw a 27 per cent increase in the total number of people NRC assisted compared to 2016. We provided services to 8.7 million individual people.



Looking at our different areas of expertise, we see that the biggest increases from 2016 to 2017 were within camp management and information, counselling and legal assistance.



Programme development and quality improvement

Learning from experience is crucial to enhance our overall response to displacement. This, in turn, increases our accountability to both the people we assist and the donors who support us. Through systematic and impartial examination of our interventions, we bring about changes in our practices and strengthen learning across the organisation.

Internal reviews

In 2017, we reviewed, among others, two of our programmes: one in Palestine and the other in Honduras. In Palestine, we found that our Better Learning Programme, aiming to improve learning conditions for children exposed to conflict, does provide clear gains for the children taking part. However, the revision also found the need to guide parents and teachers more extensively. Thus, we are currently revising our learning materials and developing a teacher and parents training package. Our pilot programme in Honduras provides education and civil documentation to people displaced by general violence. While this programme responded well to the needs, we found that we could improve our relevance further by adding a regional response, to be able to respond in countries of origin, transit and asylum. As a result, our teams are evaluating the possibility of an expansion to Mexico and Guatemala.

Areas under development

Timeliness

As described above, NRC has worked to react more quickly to emergencies, both in terms of entering into new countries and in terms of responding to changes in contexts within a country. In Iraq, we assisted a large proportion of people who fled the battle for Mosul through emergency programmes. In DR Congo, multiple new emergencies took place in the eastern part of the country. Through our partnership in the Rapid Response to Movements of Population Programme (RRMP), we responded to many of these crises.

The emergency response teams have contributed significantly to the improvements in timeliness. In addition, NRC has focused on preparedness and ensuring that all country programmes have a minimum preparedness plan in place. In 2018, NRC will track and measure timeliness, with inclusion of after-action reviews in the most serious crises. Roving positions in the emergency response team will improve our support capacity.

Access in hard-to-reach areas

Conflict parties sometimes deny humanitarian organisations access to areas they control. Additionally, attacks against humanitarian workers are increasing in regularity. Our teams actively seek to overcome challenges like these.

We also recognise our responsibility to do no harm, and always take steps to ensure that our work and interventions do not add to tensions or escalate conflicts. Conflict sensitivity and analysis are therefore the initial basis for our interventions and a prerequisite to access high-risk environments.

To reach people in need, we have developed guidelines and targeted training for our staff. We are rolling out a blended training approach, combining e-learning with in-depth humanitarian negotiations and mediation training, for the benefit of our staff, as well as humanitarian partners. In countries where we are operating remotely due to the security situation or issues getting access, we developed a self-

guided training module about safety, situational awareness and resilience. In Jordan, our teams organised a workshop regarding principled engagement with state and non-state armed actors in the Middle East. The workshop proved to be very useful and we plan to replicate the workshop in other sensitive areas.

We have launched a three-year humanitarian mediation initiative in Mali, the Central African Republic (CAR) and the Democratic Republic of Congo. Our teams will facilitate mediation and dialogue processes to reduce tensions and violence, aiming to increase the access to, and the protection of civilians. Our experiences from Haiti and CAR have taught us that humanitarian mediation processes enabled by neutral actors are important for civilians to regain safety and freedom of movement.

Cash-based assistance

During 2017, we disbursed more than USD 60 million in cash-based assistance, a 50 per cent increase from 2016. Cash-based interventions enable crisis-affected people to make choices and prioritise their own needs. Provision of cash also supports local markets, which is a critical element for the survival and recovery of communities. Additionally, cash allows us to respond as quickly and efficiently as possible. Going forward, we will therefore continue to increase and diversify the use of cash based interventions across all activities and in all phases of displacement.

One approach is multi-purpose cash (MPC), which are a series of unconditional and unrestricted cash transfers over a set period to individuals in need. In addition to routinely considering the use of cash as a way to respond, we push the boundaries by using non-traditional partners, beyond banks and mobile money companies, in delivering MPC to hard-to-reach communities.

However, in some less challenging areas where MPC is rapidly becoming the default way of delivering aid, there is often a lack of attention problems that are not financial. We recognise that cash is not the solution to all needs in every humanitarian crisis. Our teams identify assistance within other areas to run alongside the cash distributions, so that all needs are met.

There are also situations where cash should not be used. For example, when there are no functioning markets, no safe way to transfer the assistance or when cash transfers could put people at risk.

Implementation and local partnerships

NRC understands partnership as a working relationship between two equal organisations based on shared values, principles and the commitment to assist displaced populations.

Through our partnerships, we have increased the impact of our operations by enhancing the capacity of local actors to respond to the needs of displaced people and promote their rights. These partnerships can further contribute to the widening of our reach, credibility, acceptance and accountability to affected populations, and can be useful in accessing or exiting certain areas.

In 2017, more than half of our country offices were engaged in some form of partnership, ranging from direct funding relationships with national NGOs, to partnerships with national ministries and technical agencies. Our work with implementation and partnerships increasingly involves capacity building and sharing of skills, both from us to our partners and vice versa. Our country offices worked with partners to access communities in need, render technical expertise and as part of planning an exit strategy for our teams.

We have developed internal guidance regarding our work with implementing partners. Key to this process was the improved attention to compliance and the best practises for contracting relationships. We completed field testing and finalised our toolkit at the end of 2017. We also established a partnership helpdesk to support countries with technical and contractual advice on partnerships.

Expert deployment

NORCAP, the Norwegian Refugee Council's expert deployment capacity, aims to improve international and local capacity to prevent, prepare for, respond to and recover from crises. As a global provider of expertise to the humanitarian, development and peacebuilding sectors, we build partnerships with international organisations and national actors to protect lives, rights and livelihoods.

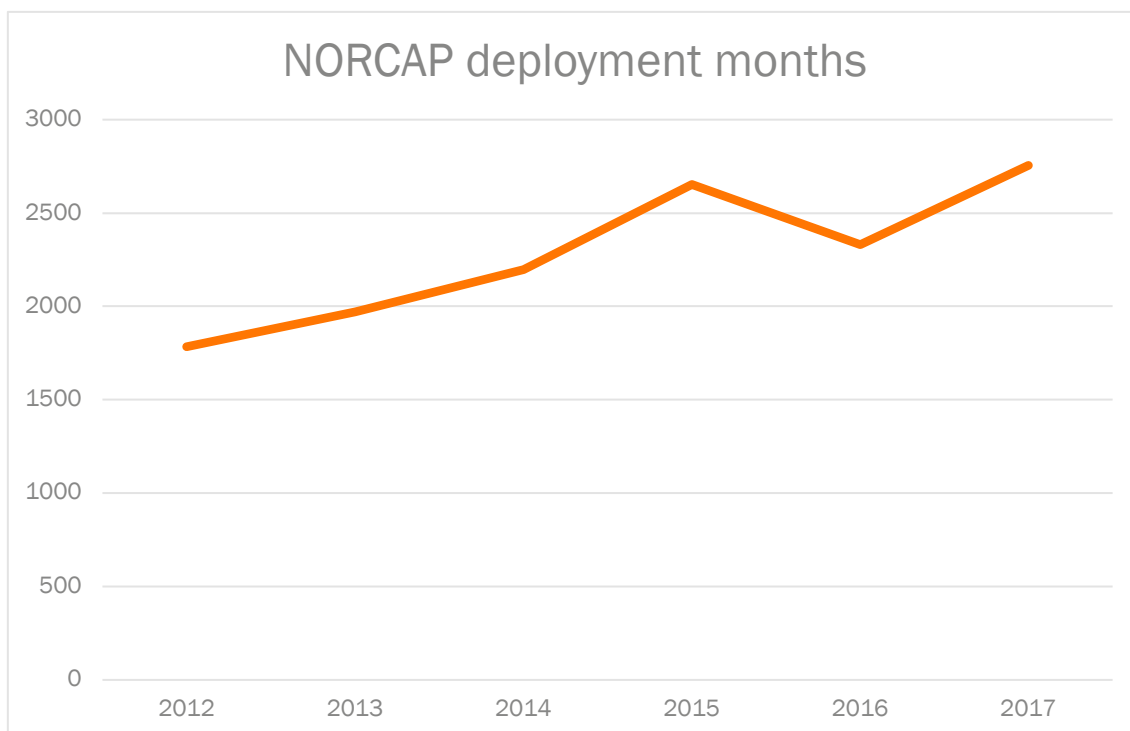
Our 2017 Response

Throughout 2017, NORCAP supported the humanitarian, development and peacebuilding efforts to respond to needs on the ground. Through our provision of experienced and skilled personnel, we help our partners save lives, build resilient communities, ensure peaceful transitions from conflict and promote sustainable governance. The NORCAP operated rosters provided the UN, international

organisations and national stakeholder with 543 expert missions in 2017, who in total contributed 2,755 months of work. We responded to the worsening crisis in the Democratic Republic of Congo, the complex crisis affecting the Lake Chad Basin, hurricane Irma in the Caribbean and recurring droughts in Africa.

NORCAP key figures 2017

*We provided 543 deployments
Our experts worked 230 person-years
We supported 40 organisations
We worked in 77 countries
We recruited 126 new experts*



In the space of just a few months last year, more than 600,000 people fled extreme violence in Myanmar. We mobilised quickly to support the refugee response in Bangladesh and were able to deploy 24 experienced men and women to set up camps and provide shelter and protection to those seeking safety across the border. Our experts were instrumental in supporting coordination between agencies and sectors responding to the emergency. In addition, they played an important role in capacity building and mentoring of younger staff.

In 2017, NORDEM, the Norwegian Resource Bank for Democracy and Human Rights became an integral part of NORCAP. This has strengthened our overall competencies in human rights, democracy and peacebuilding and allowed us to build bridges between our emergency response and longer-term efforts.

Key areas of development

Capacity building

To reduce needs, risks and vulnerability over time, NORCAP has increasingly focused on strengthening capacity of national and local actors. In 2017, we continued improving climate services across Africa. Our experts have helped regional centres and national meteorological offices in East Africa provide more timely and relevant climate information to authorities in sectors such as food security, energy and humanitarian affairs.

We also worked to strengthen the role of local actors in crisis management. We trained and worked with Greek migration authorities to strengthen their capacity for

dignified reception and protection of asylum seekers and migrants. We are developing a partnership with civil society organisations in the Lake Chad Basin, to support frontline responders to the humanitarian crisis. In Somalia, we worked to strengthen capacity within key authorities, to build sustainable and accountable governance structures. It is important that the experts we deploy work alongside local and national staff to create trust and common objectives.

Cash and markets programming

Cash and markets programming was one of NORCAP's focus areas in 2017. The Cash Learning Partnership's The State of the World's Cash Report shows that only 40 per cent of organisations have the capacity needed to implement cash transfer programmes. The coordination of these programmes is ad hoc and barriers to effective coordination are not adequately addressed.

Through our specialised CashCap project, we deployed senior experts to 20 countries. They improved coordination on cash and trained UN agencies in how to develop and implement cash programmes. There is still lack of clarity as to which humanitarian agency leads coordination on cash assistance. Against this backdrop, the CashCap experts' neutrality and independence from agency-specific agendas, has been a critical element for the success of the deployments.

In Yemen, CashCap experts helped set up a working group to coordinate organisations implementing cash programming and to position it as a strategic mechanism for support. Cash is now considered a key activity for many agencies. With INGO and UN colleagues, the experts took part in efforts to negotiate with financial service providers and banks on the exchange rate provided to humanitarian agencies. As a result, the central bank announced a floating exchange rate, effectively cutting the costs of aid by nearly 30 per cent.

Due to lack of funding, CashCap has not been able to provide experts in as many crises as desired. In addition, donors are often reluctant to support capacity building projects. Nevertheless, investing in capacity building is crucial to the delivery of high quality cash programmes that are more systematic, coordinated and in line with the Grand Bargain commitments.

Advocating for the rights of displaced people

Influencing decision makers

NRC advocacy resulted in significant changes to policy and practice that had a direct positive impact on the lives of thousands of displaced people.

For some of these achievements, NRC's media outreach played an important role. In 2017, NRC particularly increased the number of live TV appearances and the

writing of op-eds in major media outlets. By providing relevant information and spokespeople from the field, we have established NRC as a leading global voice on displacement issues and are present in major media outlets across the world on a daily basis.

On Yemen, NRC reached out to media, combined with private advocacy towards key stakeholders, to highlight the catastrophic humanitarian situation in the country. These advocacy efforts, together with those of other organisations, might have made the Saudi-led coalition more reluctant to attack a key seaport and forced the coalition to ease its blockade in December. NRC also had a clear ambition to draw media attention to neglected displacement crises, for example in DR Congo, the Central African Republic (CAR) and Nigeria.

On Nigeria and the Lake Chad Basin, NRC argued that humanitarian action should continue in parallel to and not be set aside in favour of premature stabilisation efforts. We conducted a return intention survey and shared the recommendations with key donors and interlocutors, arguing that the shift towards stabilisation efforts is premature in most areas and that promotion of safe, voluntary and dignified returns should be ensured. The Secretary General's visit to Nigeria amplified this message.

On Syria, NRC played a key role in coordinating NGOs' position on the renewal of UN Security Council authorisation for cross-border delivery of humanitarian assistance. We briefed Security Council members on the negative impact of proposed changes to the authorisation. The Security Council in the end adopted a resolution that will allow cross-border operations to continue without significant changes. This ensures that thousands of displaced people in Syria will continue to receive aid.

Because some of the changes to policy and practice came about through private advocacy with governments, or through working with journalists or other organisations that put public pressure on governments, it is not always possible to provide details about NRC's involvement in bringing about these changes. The following are illustrative examples: In one country, our private advocacy with donors and off-the-record briefings with journalists and human rights organisations pressured the government to significantly reduce forced deportations to unsafe conditions in another country. In a second country, similar work resulted in the government suspending, at least temporarily, forced returns to unsafe conditions in a specific province, which was placing displaced people at extreme risk. In a third country, we convinced the authorities to set up mobile registration points, which will greatly improve displaced people's access to basic rights and services, such as education.

Global processes

NRC invested significant resources in two main global processes. One is the development of the Global Refugee Compact, which aims to strengthen and enhance mechanisms to protect refugees and migrants and to move towards a more effective system of responsibility sharing in the international refugee

response. NRC managed to raise the voice of refugees in the process, and, through IDMC, highlighted the importance of internal displacement.

On the Grand Bargain, an agreement to increase efficiency in the humanitarian sector, NRC has particularly engaged on the goals of harmonising and simplifying reporting requirements, reducing duplication and management costs, and increasing the use of multi-year funding. Among the concrete achievements is the piloting of a standard template for reporting, which has been adopted by more than 30 donors and is currently being tested in some 40 NRC projects. The harmonisation of reporting will save time and money and improve the management of information for the entire sector. NRC's experience with a broad range of donors and substantial pro-bono support from Boston Consulting Group have been key to our achievements.

Public outreach

NRC also engages with the general public to raise awareness and understanding for the refugee cause.

Public outreach is an important part of our work in Norway but is also a significant component in countries where we conduct programme activities and fundraise. We highlight global displacement trends, country specific contexts, living conditions for displaced people and also promote calls to action in support of right for displaced people or our work. We engage through media, social media, web, as well as events and campaigns. We plan to scale up this work in 2018 and will among other things focus on activities highlighting displaced youth and youth in Norway.

Finance and revenue base

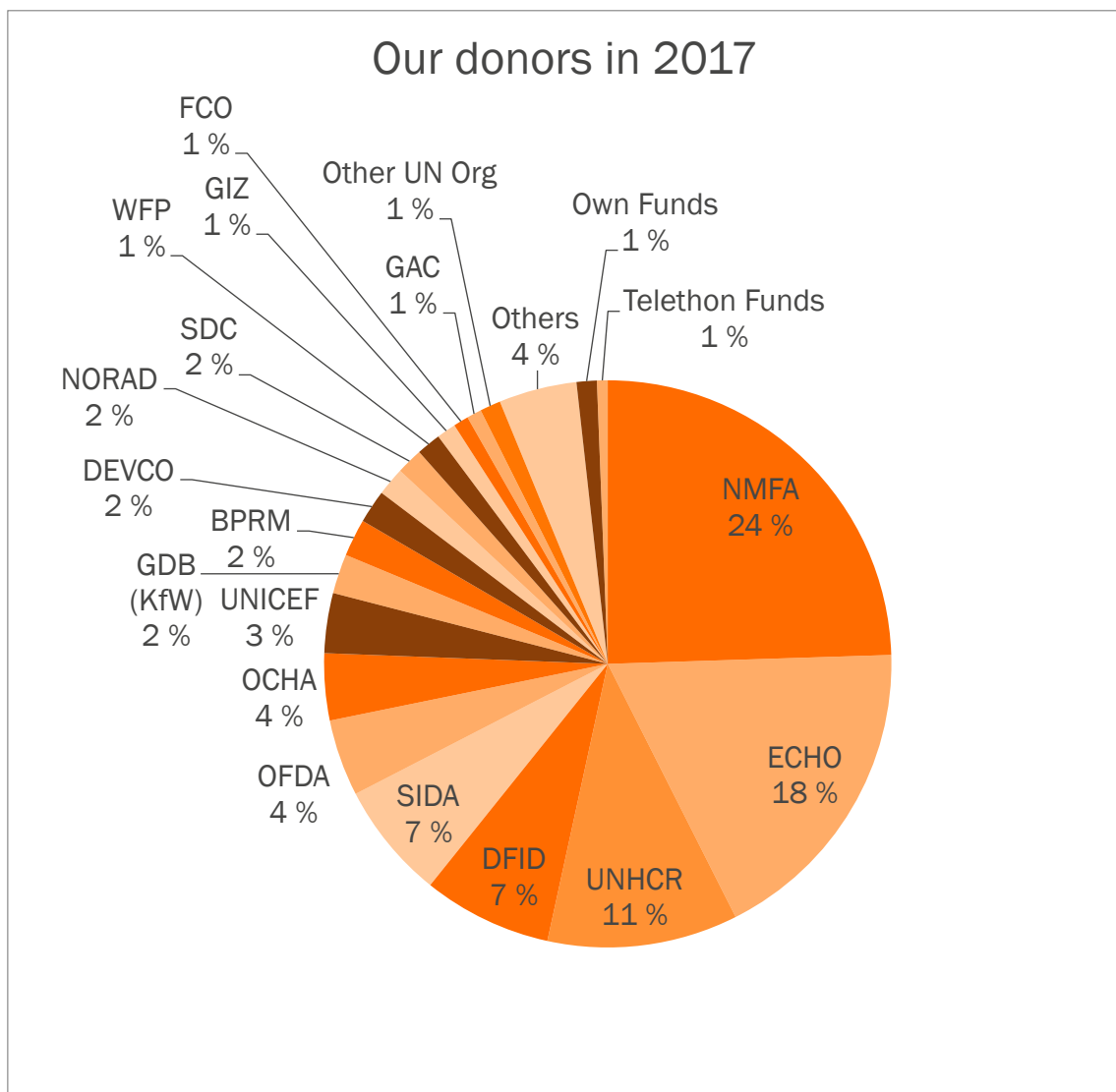
The trend of steady increase in NRC's financial income continued in 2017. Our total income in 2017 was NOK 4.05 billion, an increase of 31 per cent from the year before. The increase was 34 per cent when measured in USD. Most of our operational costs are in dollars or currencies linked to the dollar, so exchange rate fluctuations significantly affect our ability to deliver aid.

All regions received increased funding, but East Africa and Yemen and the Middle East had the largest growth. We received substantial increases from almost all institutional donors and continued to expand our donor base. The growth came mainly as a response to the large emergencies around the world, but also reflected NRC's long-term engagement with strategic donors.

The annual accounts showed a negative result of NOK 3 million. In 2017, the equity with external restrictions was reduced by NOK 26 million, to NOK 8 million; whereas equity with internal restrictions increased by NOK 1 million and other equity was strengthened by NOK 23 million. By the end of the year, current assets amounted to

NOK 1.539 billion, against a short-term debt of NOK 1.134 billion – a ratio of 1.36, which is satisfactory. The organisation has no long-term debt and although there are large variations during a year, liquidity is good. Surplus liquidity is invested in money market and bond funds, not in the stock market.

Almost all our institutional donors raised their level of funding in 2017. As in previous years, the Norwegian Ministry of Foreign Affairs (NMFA) was our largest donor. The Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) had the highest increase, with 77 per cent and surpassed the UN refugee agency (UNHCR) to become our second-largest donor. Despite challenging political shifts in the US, funding from USAID and the Bureau of Population, Refugees and Migration increased by 64 per cent compared to 2016.



NORCAP

NORCAP ensured new framework agreements with NMFA for both the NORCAP (2017-2019) and NORDEM rosters (2017-2018). The level of crisis funding obtained from NMFA was also raised considerably. New partnerships on cash

programming were secured with Belgium and the Office of U.S. Foreign Disaster Assistance (OFDA).

Strengthening strategic partnerships

Over the last ten to fifteen years, we have gradually transformed our donor base. From having been a largely Norwegian-funded organisation in the early 2000s, we are today one of the humanitarian organisations with the strongest and most diversified range of institutional donor partners. The main reason for our successful diversification has been a strategic decision to boost fundraising efforts targeting non-Norwegian donors. In this process, we have built strong partnerships with a wide range of donors, encompassing both funding and policy dialogue.

By raising awareness of humanitarian crisis situations and needs, as well as our success in securing funding from new donors, our income has increased, allowing us to reach more people than ever before. Institutional donors, such as government agencies and inter-governmental organisations account for more than 90 per cent of our annual income. The rest comes primarily from individual and corporate donors.

During the past years, the increasing gap between humanitarian needs and the funds available for humanitarian assistance has driven discussions on how the humanitarian sector can find new funding sources, as well as how to work more efficiently. Many of these discussions have taken place under the sector-wide Grand Bargain process. As described above, NRC has engaged heavily in this process, both on a policy and practical level.

We have worked closely with the UN, donors and NGOs to advocate for harmonised reporting and reduced earmarking of funds.

Since 2017, for example, we have through our framework agreements with NMFA and the Swedish International Development Cooperation Agency (Sida) received core funding for our country programmes, which offers a greater level of flexibility. In the past year, we also signed several multi-year agreements with various donors, which will enable us to have a longer-term impact.

Private sector fundraising

Contributions from individual and corporate donors are a crucial source of income, especially un-earmarked funds. NRC therefore has an ambition to significantly increase our level of funding from the private sector over the coming ten year period, including through expansion beyond the Norwegian market.

At the end of the year, NRC had 23,200 regular individual donors who have signed up to donate on a monthly basis. Through direct mail and targeted marketing campaigns in Norway and Sweden, we raised NOK 102 million. The average monthly donation per donor was NOK 217 for 2017 and the age bracket of the largest donor group was 60 years and above.

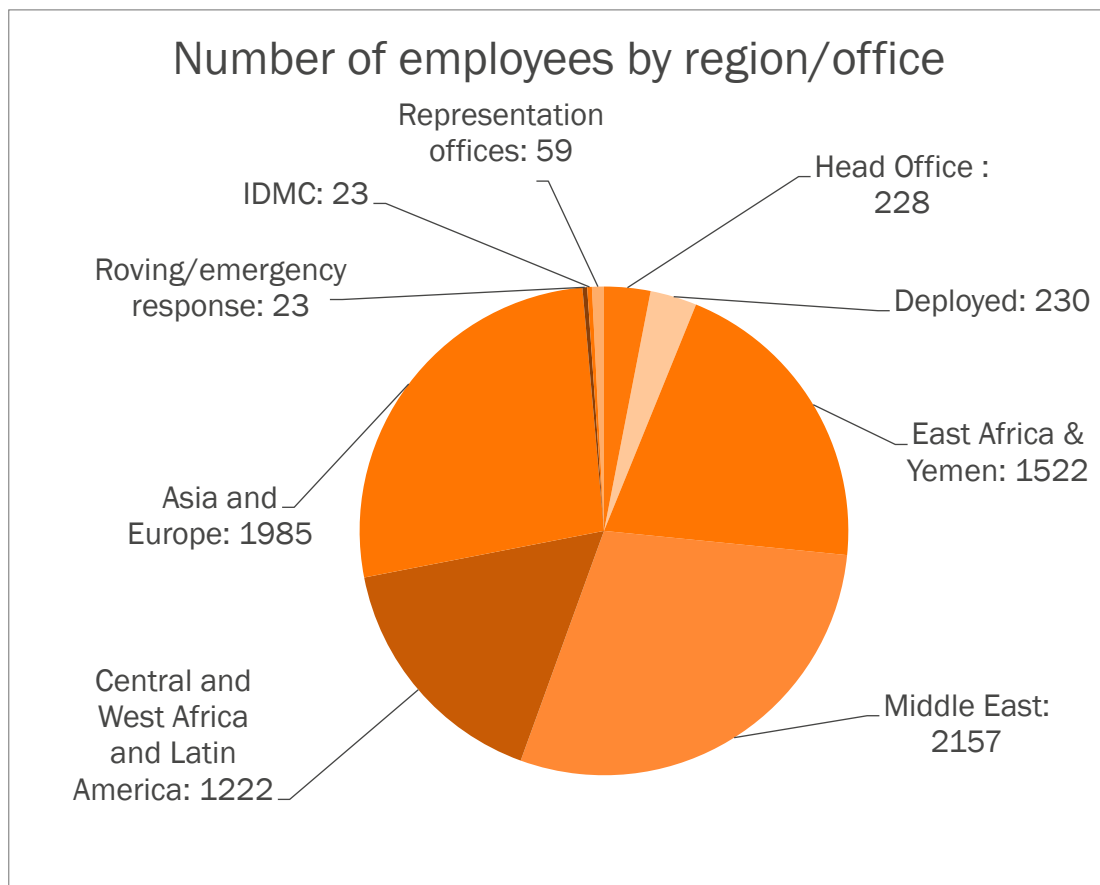
The four main acquisition platforms were field marketing, direct mail, web and SMS. In 2017, NRC established private sector fundraising in Sweden and we will bring our experiences from this with us as we enter the Austrian market in 2018.

Human resources

NRC's Human Resources (HR) policy is to ensure equal opportunities and rights, and to prevent discrimination based on ethnic origin, nationality, language, gender, sexual orientation, religion or beliefs.

At the end of 2017, 14,400 people worked for NRC to deliver humanitarian assistance. About 7,400 of these were employees, while around 7,000 were incentive/daily workers, typically displaced people or members of the local community.

- 6,422 of our employees were national staff
- 487 were international employees working at the regional and country levels, of whom 23 were roving/emergency response
- 228 people worked at our head office in Oslo
- 59 people worked at our representation offices
- 23 people worked at IDMC
- NORCAP had 2,755 deployment months, amounting to the person-hours of 230 full-time employees.



Numbers as of 31 December 2017. Excludes incentive/daily workers

Nationality, gender distribution and immigrant backgrounds

NRC's 487 employees on international contracts represented 74 different nationalities. The two largest groups were employees from France and the UK, followed by nationals from the US, Italy, Kenya, Canada, Pakistan, Norway, Ethiopia, Australia, Zimbabwe and Spain. Twenty-six per cent of employees at head office in Oslo had an immigrant background, defined as having immigrated to Norway or having parents who were both born outside of Norway.

The distribution of gender at head office in Oslo was 64 per cent women and 36 per cent men at the end of 2017; management at head office comprised 52.5 per cent women and 47.5 per cent men. Gender distribution among senior management at head office was equal at 50/50, and on the board, there were six men and four women. Among staff in advisory roles and line managers, men and women at head office were at approximately even salary levels. At the regional and country office level, gender distribution was 56 per cent male, 44 per cent female among international staff. There were 66 per cent men and 34 per cent women among national staff. We see that at the country and regional office level we are struggling to secure a good gender balance in some senior positions. In 2018, we will set clear targets to improve in this area and look at how we can improve our recruitment practises to ensure that more women are recruited.

At our representation offices the national staff gender distribution was 30 per cent male and 70 per cent female.

Within expert deployments, the gender distribution among experts deployed was 56 per cent male and 44 per cent female. At IDMC, the gender distribution was 42 per cent male and 58 per cent female.

Duty of care

NRC actively works to maintain a good working environment in all offices.

At NRC's head office, HR management worked closely with NRC's Working Environment Committee (AMU). Meetings were held regularly throughout the year, in which the status of the working environment and specific improvement measures were discussed.

NRC works in war and conflict zones. Ensuring safety for staff working in complex environments and for the people we help is therefore a primary concern. Our focus in 2017 was to ensure that staff across the organisation had relevant training and tools to better predict and address safety and security risks at all levels of our programmes.

We developed duty of care standards to clarify the minimum arrangements required of all our operations to protect staff from physical and psychological harm and to effectively manage incidents when they happen. Duty of care is anchored in all phases of our engagement with staff, starting with recruiting the right people and making sure that they receive support and training throughout their employment with us.

In 2017, we established an e-learning module recreating field and management decision scenarios. The e-learning programme helps staff to test and assess their decisions and choices against the organisational duty of care standards. Working with real-life scenarios, staff who have taken the module are now able to assess their decisions and choices against our principles and procedures.

We also hired an adviser to improve our work towards prevention of sexual abuse and exploitation. In 2018, NRC will also further review how to increase due diligence in recruitment processes to ensure that we do not contribute to impunity for perpetrators of sexual abuse and exploitation.

Creating a culture where security, safety and health are intrinsic to everything we do is a long-term undertaking. We are committed to regularly assessing and adjusting our policies and tools to ensure that they are up-to-date and relevant for our staff. We do this through staff surveys and feedback from staff representatives. Information sharing and discussions serve to remind staff about their right to voice concerns. We will work to improve the quality of our current incident reporting system, enhance information on security issues and provide better data and analysis on staff care.

Incidents

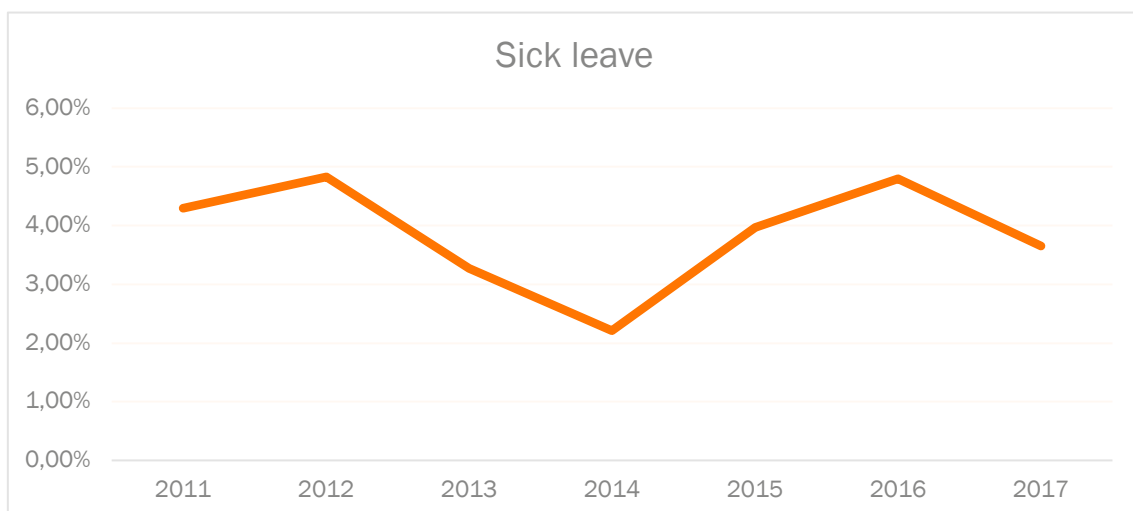
In total, NRC recorded 451 incidents related to our field operations in 2017. 815 NRC staff were involved in an incident. Of these, 685 were national staff and 130 international staff. Three incident types account for almost 52 per cent of all reported incidents in 2017. The most common incidents are burglary/robbery/theft, intimidation/treats and harassments, and road traffic incidents. 40 incidents resulted in injury to person. We had one fatal incident linked to delivering assistance in 2017; a driver contracted by NRC was killed in a road traffic accident.

In 156 incidents assets were damaged. Three guest houses, eight office buildings, six residences and 64 vehicles were damaged. Incidents resulted in NRC having to suspend operations 49 times or 88 days of programme delays.

NRC national staff were involved in 84.5 % of all incidents reported in 2017. In 2018, NRC will develop a global security training concept putting special emphasis on competence building and training for national staff. Going forward, special emphasis will also be put on improving the incident reporting process and data quality.

Sick leave

In 2017, the sick leave rate at head office was 3.65 per cent, compared to 4.8 per cent in 2016. This was lower than the national average. We upheld opportunities and commitments within the Norwegian government's Letter of Intent regarding a more inclusive working life (the IA Agreement) to facilitate an inclusive work environment for our staff.



Securing and retaining high quality staff

NRC successfully recruits a high number of staff, but some key positions have proved difficult to fill. In 2017, the demand for talented and experienced

humanitarian workers continued to be bigger than the number of potential candidates. As the humanitarian sector has become more specialised, it has become more challenging to recruit staff with the prerequisite qualifications. Gaps in positions affected our ability to work according to plan, not only in high-risk countries but also in more stable country programmes and at head office. Lack of resources in recruitment positions also affected our ability to fill positions.

Our work to improve recruitment continued in 2017. We launched a minimum standard for recruitment and trained all country offices in this standard, which will raise the quality of recruitment processes across the organisation. We also piloted a trainee programme in the Middle East.

We have also decentralised decision-making power with regards to recruitments to make them more agile and have introduced flexible working arrangements for a category of positions.

In certain high-risk countries like Afghanistan, we did manage to minimise the gaps in positions, despite the fact that our operations grew rapidly during the year and 20 new international positions were required. The success factors included using headhunting of potential candidates and offering placement in Afghanistan to NRC staff in other countries.

Staff retention

NRC is working to increase our ability to retain qualified staff in the organisation. As part of this work, we launched a strategic initiative in 2017 for talent management.

We also introduced a pension plan for international staff that are not able to access the social security system in their own country. We believe this will contribute to greater retention of staff.

At head office, we conducted a benchmarking exercise in 2016 and subsequent alignment of salaries in 2017 to comparable peer organisations. A compensations and benefits project at head office is underway to strengthen our ability to retain and recruit talented staff. This project will be finalised in 2018.

Expert deployment

In 2017, NORCAP recruited 126 new roster members within a wide range of areas. In line with our strategy, most experts were recruited in the field of protection, civil affairs and democratisation, communication and education. The new roster members represent 55 different nationalities and have a gender balance close to 50/50. With these recruitments, NRC upholds our goal to ensure diversity in our rosters.

Learning and Development

We strengthened our investment in learning and development in 2017 through the following initiatives:

- Through the strategic collaboration with the Humanitarian Leadership Academy NRC launched Kaya as a learning platform, with access to 300 e-Learning courses covering management, humanitarian essentials, and a selection of NRC developed courses. By the end of year, 989 staff had completed 2344 courses.
- Developed and launched the e-Learning modules “Communication, Feedback and Performance Management” and “Duty of Care” for line managers in 2017 (English, French and Spanish versions).
- Implemented a management team development process in nine management teams. This process also included leadership workshops with area teams and a broader group of line managers.
- Conducted three cycles of our leadership development programme (level 1), with a total of 60 participants (of which 86% were national line managers, and 57% were women).
- Conducted two-day workshops on “basic leadership skills” for over 220 line managers across NRC country programmes.
- Piloted a mentoring programme targeting line managers that are new in a leadership role or new to NRC.

Board of Directors

The following people constituted the Board in 2017:

- Idar Kreutzer (Chairman of the Board)
- Cecilie Hellestveit (Deputy Chair, until 27 February 2017)
- Hege Marie Norheim (Deputy Chair from 12 June 2017)
- Kiran Aziz (from 8 May 2017)
- Per Byman
- Lisa Cooper
- Walter Kälin (from 12 June 2017)
- Ahmed A. Madar (until 27 February 2017)
- Harald Norvik (from 12 June 2017)
- David Sanderson (until 29 September 2017)
- Sturla Stålsett (from 29 September 2017)
- Simon Giverin (staff representative - until 8 May 2017)
- Anne Huser (staff representative from 12 June 2017)
- Jeremy Francis (staff representative - from 8 May 2017)
- Petr Kostohryz (staff representative - until 27 February 2017)
- Robert Inzikoa (staff representative – substitute)

The Board conducted five ordinary Board meetings and two Board seminars. The Board discussed 61 agenda items throughout the year. Members of the Board visited our Uganda country office in August.

The Board and the administration had a close and productive collaboration. Board meetings and seminars were characterised by comprehensive discussions focusing on the strategy for 2018-2020, continued organisational development, accountability and programme delivery.

The Board thanks NRC's employees for their dedication and hard work and looks forward to continued cooperation in 2018.

Oslo, 7 May 2018



Harald Norvik
Chairman of the Board



Hege Marie Norheim
Deputy chair



Kiran Aziz
Board member



Lisa Ann Cooper
Board member



Joséphine Goube
Board member




Walter Kälin
Board member




Sturla Stålsett
Board member



Claus Sørensen
Board member



Jeremy Francis
Board member elected by staff



Anne Huser
Board member elected by staff



Jan Egeland
Secretary General



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