

NRC

NORWEGIAN
REFUGEE COUNCIL



Annual Report 2014 from the Board

MAY 2015

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Responding to increased needs and accessing hard-to-reach areas

Over the past two-three years, displacement figures have reached record high levels and the world is now faced with the worst displacement crisis since the aftermath of the Second World War. In 2014, the Norwegian Refugee Council (NRC) proved its ability to rise to this challenge, doing more for a greater number of displaced people than ever before.

More than 4.3 million individuals across 28 countries received help from NRC in 2014. A total of 600 expert deployments were provided to 49 countries, making NRC's rosters the most used expert deployment capacity in the humanitarian and development world. NRC's regional Middle East operation has become one of the largest providers of assistance to refugees fleeing Syria, in addition to developing cross border operations into Syria from neighbouring countries. In conflict areas where security and access are particularly difficult, from Afghanistan to Somalia and Colombia, the organisation was able to increase access where few humanitarian actors are present. The ability to respond to new emergencies was also strengthened with two dedicated emergency response teams, enhancing or initiating response in the Central African Republic, South Sudan, Iraq and Ukraine.

While NRC succeeded in accessing millions of beneficiaries in vulnerable and hard-to-reach communities, the cost for the organisation was high: NRC had two colleagues killed in Mali and many other staff members experienced situations of extreme risk in the line of duty. NRC's response was to expand our risk management capabilities commensurately.

NRC's strong networking tradition was reflected in the number of requests by NGO partners and the UN to represent and advocate on behalf of the humanitarian community. Most notably, NRC represented 180 Latin American NGOs at the Cartagena +30 process; the global NGO community at the launch of the largest ever humanitarian appeal for the Syria crisis; and presented the humanitarian perspective at a US Senate hearing on Syria. Successful launches of important reports contributed to a marked growth in international and national media coverage, increasing access to key decision-makers.

NRC strengthened its donor base and saw a significant increase in funding. This was mainly achieved through increased support from our main strategic donors: NRC became the second largest NGO partner for the European Commission's Humanitarian aid and Civil Protection department (ECHO), doubled the support from the UK Department for International Development (DFID) and became the number one international NGO partner for the Swedish International Development Agency (Sida). NRC also increased its support from private sponsors and experienced significant growth in private donations and funds from the corporate sector.

Parallel to the volume growth of operations, NRC invested more than ever before in processes and functions to increase quality control of operations.

NRC mandate and organisational set-up

NRC is Norway's largest international humanitarian organisation and is widely recognised as an important field-based displacement agency within the international humanitarian community.

NRC promotes and protects the rights of refugees and people who have been displaced within their own country. We take action during situations of armed conflict, and engage in other contexts where our competences will add value.

NRC's main activity is the deliverance of humanitarian aid through programme activities in the field. NRC specialises in five programme areas, or core competences – Shelter, Food Security, Information, Counselling and Legal Aid (ICLA), Education, and Water, Sanitation and Hygiene (WASH). The core competences are adaptive to different contexts and mutually reinforcing.

In addition to our programme activities, we contribute to the overall coordination and strengthening of humanitarian response through our stand-by rosters. The Norwegian Refugee Council's Expert Capacity (NORCAP) provides expert personnel to national stakeholders and international organisations to enhance their ability to prevent, manage and recover from crises. The United Nations (UN) is the main recipient of experts from NORCAP.

NRC also advocates on local, national, regional and global levels for the rights of displaced and vulnerable people. Our advocacy is based on our first-hand experience from the field. In order to understand and respond better to displacement, NRC conducts research into both global displacement and specific displacement contexts. NRC's Internal Displacement Monitoring Centre (IDMC) is a global leader in monitoring, reporting and advocating specifically on internal displacement.

NRC is based in Norway. The Head Office is located in Oslo, and the organisation participates actively in Norwegian civil society, engaging in a broad range of information and advocacy efforts on displacement issues in Norway, targeting decision-makers, civil society and the public.

Programme activities

Over the last two years, NRC has been able to significantly increase the number of direct beneficiaries receiving assistance and protection, from 3.2 to 4.3 million. The core competences increased their number of beneficiaries from 2013 to 2014. This signals that more beneficiaries received a combination of services than ever before, from just above 4.5 million service packages provided in 2013 to almost 6 million in 2014.

NRC was operational in 28 countries in 2014: in Asia Afghanistan, Iran, Myanmar and Pakistan; in the Middle East Iraq, Jordan, Lebanon, Palestine, Syria and Yemen; in Africa Burkina Faso, Central African Republic, Cote d'Ivoire, Democratic Republic of Congo, Djibouti, Ethiopia, Kenya, Liberia, Mali, Somalia, South Sudan, Uganda and Zimbabwe; in South America Colombia, Venezuela, Honduras and Panama, and in Europe, Ukraine.

New operations were initiated in two countries: a new country programme was initiated in Central African Republic (CAR), and towards the end of the year an emergency response was started up in Ukraine. Moreover, NRC exited one country, Zimbabwe, after nearly five years of facilitating durable solutions for internally displaced persons (IDPs), reaching a total of more than 40,000 direct beneficiaries.

The core competences reaching the most direct beneficiaries continued to be Shelter and WASH. The countries in which NRC reached the highest number of beneficiaries were Pakistan, Jordan and Syria.

NRC's ability to respond effectively to new crises was further strengthened in 2014. The main factors contributing to this were the global emergency response teams; the new Logistics First Response Capacity in Dubai from which core relief items can be dispatched to any location in 24 hours; development and refining of emergency tools and modules combined with strengthened response capacity; and increased funding availability.

Security management

NRC predominantly operates in areas affected by armed conflict. Ensuring security for staff and beneficiaries is therefore a priority concern.

The most essential risk mitigation measure is building trust and acceptance among local communities by ensuring that our programmes are based on humanitarian needs and remain impartial, neutral and independent of political agendas.

All operations continually analyse risk levels and types of risk and put in place concrete measures to minimise possible threats. In 2014, NRC Internal Audit conducted a detailed self-assessment exercise with all country operations on control systems related to among other things security, and also audited two country programmes on risk management. All levels of the organisation regularly carry out crisis management trainings.

Strengthening quality and accountability

Over the last year, NRC clarified roles and responsibilities between Head Office and regional and country levels and strengthened the organisation's governance structure. Improvements in monitoring and evaluation, financial control and anti-corruption measures strengthened quality control of operations. Management information and accountability was improved through the establishment of a new Internal Audit unit, and four internal audits were conducted in 2014.

The main conclusion from external programme evaluations finalised in 2014 was that NRC is delivering high quality assistance and that our programmes are having a positive impact on the target groups. The external evaluations also identified areas in need of improvement in order to enable increased impact. Also, any gaps or delays in the internal follow-up to the evaluations were identified.

Expert deployment

In 2014, NRC's standby rosters provided experts for almost 600 missions to 49 countries, and were thus the most frequently used humanitarian and development expert deployment capacity. NORCAP's priorities were to a large extent defined by large-scale emergencies. NRC's expert deployment experienced growth in international funding in 2014, primarily because of cost-sharing and increased funding from the UN and DFID. *Protection*, together with *Coordination and Leadership* were the largest areas of engagement for NORCAP. The largest crisis to which NORCAP responded in 2014 was the war in Syria, with deployments to Syria as well as to neighbouring Lebanon, Jordan and Turkey. Counted in the number of deployees, the largest single NORCAP response was in South Sudan.

UN agencies continued to receive the largest share of NORCAP deployments, and reported a high level of satisfaction. NORCAP received good feedback scores from both partner organisations and its deployees: on satisfaction among UN partners with the performance of deployed personnel, NORCAP scored 4 or 5 on a scale from 1-5. The deployed persons' satisfaction with his or her deployment mission reached the same score.

The Ebola response

The Ebola response became NORCAP's main priority during the last months of 2014. NORCAP started working on the response in September, resulting in almost 40 experts deployed by the end of the year.

NORCAP's deployments to the Ebola response were delayed because of problems regarding insurance, robust medical evacuation procedures and medical treatment for deployees on mission, but also because there was some hesitation on how to address a crisis outside of NRC's core mandate.

After NORCAP deployment began in early October, 37 experts were deployed to the Ebola response throughout the year. The largest number of deployments was to Liberia, Guinea and Sierra Leone, where NORCAP provided support for the health response as well as dealing with the humanitarian consequences of Ebola. Experts on engineering, logistics and WASH were deployed, and personnel within food security, education and child protection were provided.

New partnerships

New partnerships were initiated and pilot projects started with the Global Framework for Climate Services (GFCS), the World Meteorological Organisation (WMO), the Norwegian Water Resources and Energy Directorate and the Norwegian Meteorological Institute. These partnerships will support capacity development efforts through deployments of experts.

Information and advocacy

Much of NRC's advocacy work is conducted in country programmes. In 2014, a number of local advocacy initiatives taken by NRC improved access, protection and assistance to beneficiaries. In addition, NRC worked with a number of global initiatives and campaigns.

Syria

Among the most prominent of these initiatives were NRC's advocacy efforts on humanitarian space and protection in Syria, which were significantly strengthened in 2014. The most visible advocacy initiative on Syria were the Secretary General's testimony before the US Senate on the humanitarian situation in Syria in March 2014 and the launch of the *No Escape* report in November, which received widespread global coverage and put a critical protection issue on the international agenda for the first time. This led to a public focus on the fact that borders were being increasingly closed, preventing Syrians from seeking international protection.

Cartagena +30

In December 2014, NRC co-organised the *Cartagena +30* process together with UNHCR. NRC had convened and coordinated a process involving 180 civil society organisations across Latin America, and represented their views at the Ministerial meeting *where the* governments of Latin America and the Caribbean adopted the *Brazil Declaration and Plan of Action*. In the declaration, governments agreed to work together and implement solutions for refugees and displaced persons, ending the plight of stateless persons in the region. The Declaration is the result of a lengthy consultation period with governments, international and regional organisations, Ombudsman offices, as well as the region's civil society.

Exceeding media coverage targets

Further, NRC's additional advocacy efforts contributed to progress within issues of counterterrorism among humanitarian actors, and within Housing, Land and Property (HLP). Through IDMC reports, NRC increased attention towards the internal conflict and displacement in Nigeria. In Norway, NRC positioned itself on a variety of refugee and asylum seeker related issues, and exceeded targets on media coverage.

Finance and revenue base

In 2014, NRC's gross income was NOK 2.4 billion, a 28 per cent increase from 2013. The increase was primarily linked to the organisation's dedicated and diversified support to the victims of the Syria crisis. 98 per cent of overall costs were used to fulfil NRC's mandate. Since the 2008 financial year, NRC has used the temporary accounting standard for NGOs.

The annual result showed a positive result of NOK 48 million. The equity with external restrictions was reduced by NOK 16 million to NOK 73 million, equity with internal restrictions was strengthened by NOK 20 million and other equity was increased with NOK 44 million. By the end of the year, current assets amounted to NOK 919 million, against a short-term debt of NOK 554 million, a ratio of 1,7, 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, never in the stock market.

A significant part of NRC's income and costs are in foreign currencies and the organisation's activities are therefore vulnerable to fluctuations in exchange rates. The large decline in the value of the NOK and other currencies against USD towards the end of 2014 had limited negative effects. However, if the exchange rates remain at these levels over time, it will have an adverse effect on programme activity. Parts of the positive result in 2014 will be used to offset some of these effects in 2015.

The risk is partly mitigated by the large variety of currencies involved and also the donors carry most of the currency risk. Additionally NRC is using forward contracts to reduce risk. As the organisation has no interest-bearing debt, increases in interest rates will improve results.

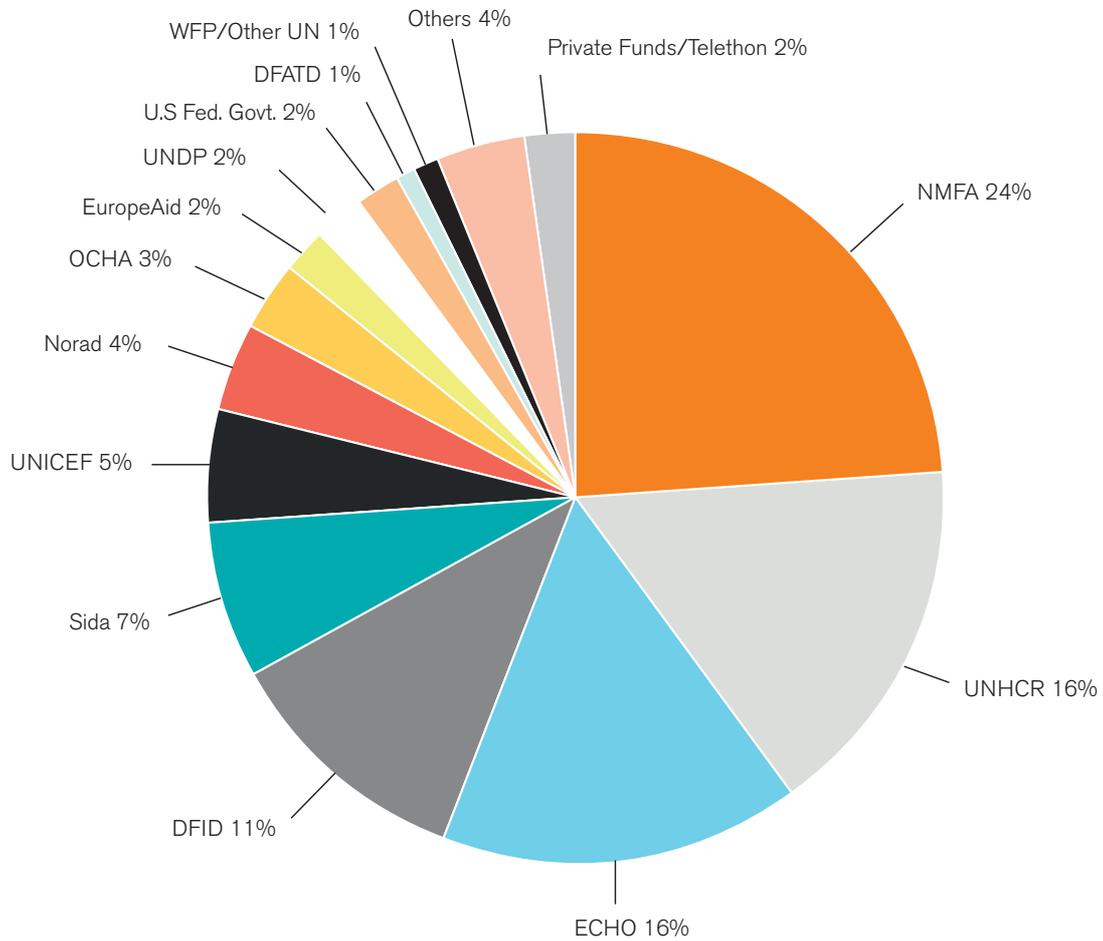
A broad donor base

The broadening of NRC's donor base continued in 2014. This is a strategic priority. A wider donor base provides NRC with a higher level of financial security and predictability, and although compliance with the different donor requirements lead to higher costs, they have also had a positive effect in terms of increased professionalism within the organisation.

The Norwegian Ministry of Foreign Affairs remained the largest single contributor, and is an important strategic partner for NRC in most programme countries as well as for the deployment of personnel to the UN. NRC places great emphasis on the further development of this positive collaboration.

Over the last years, NRC has considerably strengthened relations with a number of non-Norwegian donors, and in 2014 more than 70 per cent of the organisation's income came from foreign donors. The largest foreign contributors were the Office of the United Nations High Commissioner for Refugees (UNHCR), the European Commission's Aid and Civil Protection department (ECHO), and the UK and Swedish governments (DFID and Sida, respectively). Most of these contributed considerably more to the organisation in 2014 than in 2013, especially UNHCR and DFID. The governments of Canada, Switzerland and US were also important contributors.

Income from donors 2014



Over the last years, NRC’s financial position has also improved as a result of an increase in support from private, individual donors. It is essential for NRC to maintain the ability to respond quickly and efficiently to the humanitarian needs of refugees and internally displaced persons around the world, and contributions from private donors provide increased flexibility.

The income from the 2010 Telethon was and will in the coming years continue to be of significant importance for NRC’s level of activity and financial situation. The funds are invested in accordance with NRC’s and the Telethon secretariat’s instructions.

Another important reason for the positive 2014 result is that NRC implemented a very significant increase in activity levels without an equivalent increase in administrative costs.

The accounts are prepared on the assumption of continued operations, and the Board confirms that this assumption is correct.

The organisation’s operations do not result in any significant environmental pollution.

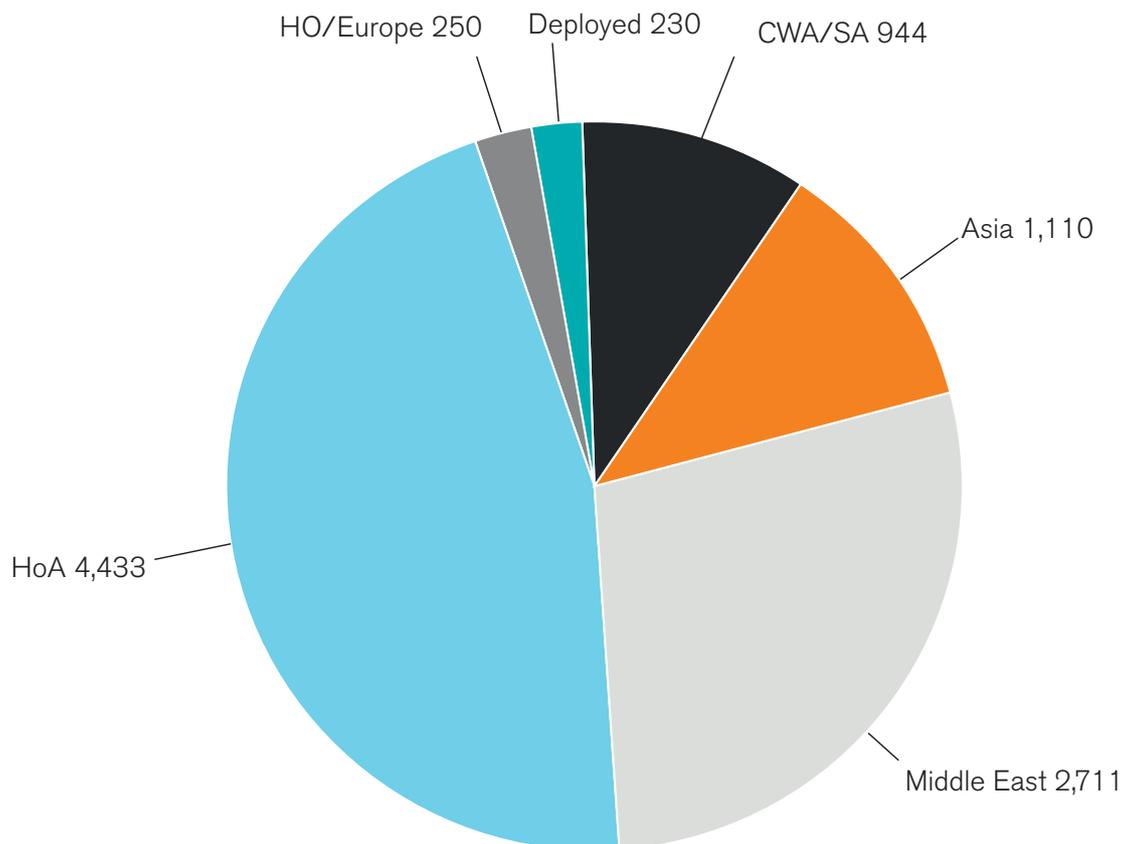
Human resources and work environment

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

At the end of 2014, NRC employed a total of 5,250 staff: 4,499 of which were national staff, 284 were international employees working at the country level and 237 people worked at Head Office in Oslo and in NRC's representation offices. An average of 230 experts were deployed by NRC's standby rosters throughout the year.

In addition, approximately 4,500 incentive/daily workers were engaged in specific projects, typically displaced persons or people from the local community engaged in large projects in camps. This brings the total number of people working in NRC programs, at the end of 2014, close to 10,000.

Total share of employees, including incentive/daily workers, per office/area



Nationality, gender distribution and immigrant background

The 272 employees on international contracts represented 60 nationalities. The largest group were Kenyans, followed by nationals from France, Norway, Uganda and finally Zimbabwe and Sweden. Sixteen per cent of employees at Head Office had an immigrant background, defined as having immigrated to Norway or having parents who were both born outside of Norway.

Distribution of gender at Head Office was at 60 per cent women and 40 per cent men at the end of 2014. At Country, Regional and Representation Director levels, there were 32 per cent women and 68 per cent men, while management at Head Office comprised of 48 per cent women and 52 per cent men. Among international staff gender distribution was 61 per cent men, 39 per cent female, while men made up 73 per cent and women 27 per cent among national staff. Gender distribution in HO senior management and the Board was at 50-50.

Among staff in advisory roles and line managers, men and women at Head Office were at approximately even salary levels.

Working environment

NRC actively works to maintain a good working environment in all offices. The 2014 staff survey showed that across the organisation, NRC's employees are highly motivated and committed to their work. The survey response rate increased from 77 per cent in 2013 to 82 per cent in 2014, providing the management with a solid set of data with which to evaluate the effect of improvement measures and prioritise future measures.

At Head Office, management worked closely with the 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 operates in countries with high levels of violence, insecurity and crime. Tragically, NRC lost two staff members in 2014; both were killed when an explosion hit their car in Northern Mali on 29 May. 52 incidents of injuries to person and 1 kidnap incident were also reported last year. The kidnapped staff was returned safely and without physical injury.

Staff security is an integral part of staff care and all offices continually assess risks and risk levels and implement appropriate security measures.

In total NRC recorded 421 incidents linked to our field operations in 2014. The majority of these incidents were related to road traffic accidents, thefts, burglary and various forms of harassment and threats.

Sick leave

In 2014, the sick leave rate at Head Office was 2.21 per cent, compared to 3.27 per cent in 2013, 4.83 per cent in 2012 and 4.3 per cent in 2011. Opportunities and commitments within the IA agreement on inclusive work were upheld.

The composition of the board

Board of Directors

The following people constituted the Board in 2014:

- Idar Kreutzer (Board Chair. Re-elected 18.09.2014)
- Gisele Marchand (Vice Chair)
- Cecilie Hellestveit
- Ahmed A. Madar
- Leiv Lunde
- Per Byman
- Lisa Ann Cooper
- David Sanderson (Elected 18.09.2014)
- Ingvill Fredriksen (employee representative)
- Stine Paus (employee representative)

During 2014 the Board conducted six ordinary Board meetings, two Board seminars and one extraordinary Board meeting. The Board discussed 65 agenda items this year.

The Board of Directors and the administration cooperated closely throughout the year. Board meetings and seminars were characterised by comprehensive discussions focusing on continued organisational development. The Board wishes to thank NRC's employees for their hard work and commitment.

Prospects for the next year

The overall strategic objective for NRC for 2015 is to reach more vulnerable displaced people in an effective manner. More specifically, this means 1) continuing to work towards securing displaced persons who are underserved or not reached by others' protection and assistance, and 2) accelerating the number of displaced people with access to protection and assistance.

2015 will also see the launch of NRC's three-year initiative to provide one million displaced children and youth with quality education by 2018.

Oslo, 18th May 2015



Idar Kreutzer
Board Chair



Gisele Marchand
Vice Chair



David Sanderson
Board member



Cecilie Hellestveit
Board member



Ahmed A. Madar
Board member



Per Byman
Board member



Katja C. Nordgaard
Board member



Lisa Ann Cooper
Board member



Ingvill Frederiksen
Staff repr.



Petr Kostohryz
Staff repr.



Jan Egeland
Secretary General



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