# REPORT OF THE BOARD OF DIRECTORS, 2017

## 1. THE NATURE OF ACTIVITIES AND OPERATIONS

Norwegian Church Aid works to save lives and seek justice. Our support is provided unconditionally with no intention of influencing anyone's religious beliefs and affiliation.

Norwegian Church Aid is a member of the ACT Alliance, one of the world's largest humanitarian coalitions. Together, we work around the world to create positive and sustainable change. To save lives and seek justice is, for us, faith in action.

**Norwegian Church Aid** is an ecumenical, diaconal organisation headquartered in Oslo with representations in 20 countries. Norwegian Church Aid collaborates with civil society organisations, church-based organisations and other institutions in Africa, Asia, Latin America and Europe. Norwegian Church Aid provides emergency assistance in disasters and works with long-term development in local communities. To address the root causes of poverty, we advocate for just decisions by public authorities, businesses and religious leaders.

Norwegian Church Aid works in a world that is constantly and rapidly changing. Over two-thirds of these countries struggle with conflict and are vulnerable to widespread corruption. Ever-growing security challenges hamper Norwegian Church Aid's work and communication strategies related to it. Norwegian Church Aid's personnel and partners are working in countries marked by social turmoil, poverty and conflict, increasing the risk of abuse of people, power and trust as we pursue our role as development assistance and aid workers. In addition, several of the programmes are humanitarian in nature with a large economic volume, and any losses here can be significant. These programmes require more followup and staffing than those implemented in more stable countries. Norwegian Church Aid is working continuously and routinely to deal with this reality. Thorough security assessments of travel plans are undertaken in cooperation with Norwegian Church Aid's partners. Moreover, we are working on measures such as strengthening internal procedures and information about the Code of Conduct, in particular the organisation's notification systems with early warning in the event of suspicion of financial irregularities or of abuse or assault.

For two years, Norwegian Church Aid has worked in accordance with the guidelines of the global programme strategy "Faith in Action". The strategy defines humanitarian efforts and partnerships with religious actors as fundamental pillars of Norwegian Church Aid's two long-term goals: to save lives and to seek justice. Together they define our work towards a more just world. Through our programmes, we translate these long-term goals into action. The goals build on our distinctive identity and reflect our efforts to spur change, both locally and globally.

The seven thematic programme areas are:

- Water, Sanitation and Hygiene (WASH)
- Peacebuilding
- Gender-based Violence (GBV)
- Reproductive Health
- Climate Resilience
- Resource Governance
- Economic Empowerment

Results will be presented in the Results report 2017.

## Innovation

Norwegian Church Aid is facing a future with more competition and an increased focus on results. Norwegian Church Aid is constantly working on new ways to do our work, and we will continue to strive for effectiveness and efficiency and use resources where they are best suited to achieve organisational goals. 2017, which marked Norwegian Church Aid's 70th anniversary, was a year when NCA equipped itself for the future and for the coming changes. The need for greater efficiency and improving the quality of our programme and reporting work meant that innovation was key this year. Among other things, the management decided to create a new position to enhance digital retrieval and processing of results, and to create a strategy for digitalisation for the entire organisation. A digitalisation project was kicked off in 2017 and was mandated to roll out a new system for digital reporting of results via smart phones. Partners and staff in Mali, Burundi and Malawi for example have been trained in digital data retrieval. This method will make it easier to collect and record data from our projects on a continuous basis, which is increasingly important for our reporting to donors.

As part of increased investment in technological solutions, Norwegian Church Aid also applied for membership of NetHope, an association of 50 organisations working to develop and improve digital solutions for use during crises and disasters. We also became a member of the "Humanitarian Innovation Platform" (HIP), which is supported and funded by Innovation Norway. A new system for real-time reporting of water consumption and quality in remotely located water sources was developed through participation in HIP and has received funding from Innovation Norway.



With funds from the 2014 telethon, Norwegian Church Aid drilled a few hundred metres into the desert sands to ensure the provision of safe water to over 20,000 people in Garowe. A further 20,000 people affected by drought now receive water from this well.

Photo: Håvard Bjelland/Norwegian Church Aid

Norwegian Church Aid also made changes in HR, adopting a new global personnel system that makes tracking staff easier and more efficient. The organisation's intranet pages have also been revamped with technical solutions that stimulate the sharing culture and communication between all of Norwegian Church Aid's 800 employees.

### **Emergency assistance**

Norwegian Church Aid's strategy envisions that the organisation will scale up its humanitarian work to respond to largescale humanitarian crises with high quality services in order to save lives, alleviate suffering and protect human dignity. In consortia with local partners, ACT Alliance, and international stakeholders, Norwegian Church Aid can have a greater impact through effective and timely coordination during humanitarian crises.

In order to achieve these ambitions, innovation has also been on the agenda for NCA's humanitarian work. Important progress includes strengthening of our collaboration with various UN agencies, particularly the UN High Commissioner for Refugees (UNHCR). This resulted in agreements on cooperation for boat refugees in Greece, internally displaced flood victims in Malawi – and in Angola, where we initiated efforts for refugees who came from the Kasai province in the Congo. In cooperation with UNHCR, Norwegian Church Aid is an important actor in work on water, sanitation and hygiene projects where no other organisation is present, such as in Malawi and Angola. While we have increased our collaboration with UNICEF, UNOCHA and UNHCR, this is long-term work and the volumes are not yet sizable. They are however in rapid growth. Norwegian Church Aid also received prior approval in 2017 for funds from OFDA, USAID's foreign disaster assistance office. This bodes well for our organisation as securing funds from OFDA is a comprehensive process with potential for large revenue opportunities. Norwegian Church Aid has also taken over leadership of the WASH Cluster, organised by the United Nations from Geneva. The cluster coordinates emergency assistance responses involving water, sanitation and hygiene (WASH). Norwegian Church Aid is now responsible for strengthening the coordination of various organisations' work in emergency situations.

In emergencies and disasters, Norwegian Church Aid works with local partners extensively, because of their rootedness in the communities that they serve and knowledge about the local context. Our local partners were there before and during disaster and will be there after we leave. Local organisations receive a steadily decreasing part of the large sums allocated each year for emergency aid work. Norwegian Church Aid is working to persuade both Norwegian authorities and international bodies to give local organisations a greater role in, and more money for dealing with humanitarian crises in their own countries. New humanitarian crises also occurred in 2017, and Norwegian Church Aid, along with local partners, started emergency assistance efforts for people fleeing Boko Haram in the Lake Chad region and for the Rohingya in Bangladesh fleeing the regime in Myanmar. Norwegian Church Aid stepped up its multi-year emergency relief efforts in Northern Iraq when people fled the fighting during the liberation of IS-controlled Mosul.

Throughout 2017, much of the African continent continued to be affected by prolonged drought, causing an acute water and food crisis for millions of people. In Somalia, Norwegian Church Aid provided, by means including funds collected during the 2014 telethon, access to clean water to those affected by drought.

### Religious leaders

Norwegian Church Aid has a long tradition of efficient cooperation with religious actors and faith-based institutions. Faithbased actors are firmly rooted in poor communities where they have well-established networks. Their capacity to reach out to the most marginalised cannot be overlooked due to their ability to foster deep connections with these communities. The key to change and progress in many of our programme countries lies in cooperation with religious leaders, because they have the power to challenge power, and are often a significant power factor in their own right. Whether it is Orthodox leaders speaking out against female circumcision in Ethiopia, imams working for peace and reconciliation in Pakistan and Afghanistan, bishops on the front line of demands against the mining industry in Zambia, priests who provide emergency assistance in southern Sudan - or as in Burundi where the country's religious leaders used their influence to mobilise people in local communities to plant over one million trees. This will protect important infrastructure such as schools, churches, roads and homes against the weather and wind.

In 2017, we seconded a staff member to ACT in Geneva to develop the Alliance's strategy on religion and development, with the aim of bolstering religious actors as key change agents in an otherwise secularised and polarised development assistance debate.

### Violence against women

In our response to the Rohingya refugees in Bangladesh and people fleeing Boko Haram in Nigeria, for the first time we linked our work on water, sanitation and hygiene (WASH) to assistance measures following gender-based violence (GBV). This is part of our comprehensive approach to emergency assistance work, and has been positively received by the Norwegian authorities and other major donors.

Through a three-year NOK 66 million framework agreement with the Ministry of Foreign Affairs in effect until the end of 2017, Norwegian Church Aid battled gender-based violence and advocated for those who are subject to it. Norwegian Church Aid can, among other things, look back on the achievement of a breakthrough in the African Union's efforts to prevent violence toward women. In our programme countries in Eastern Africa, Burundi and the Congo, we joined forces with partners to ensure coordinated efforts by religious leaders and civil society organisations against gender-based violence, and for equality. The need for psychological and social support for survivors of gender-based violence also remained large in Northern Iraq, Lebanon and Syria.

In May, Norwegian Church Aid organised a large conference on the impacts of gender-based violence in war and conflict at the Nobel Peace Centre in Oslo. Renowned Congolese gynaecological surgeon and Norwegian Church Aid partner Dr Denis Mukwege was the main speaker and front-figure in a programme dealing with "the great silence" surrounding the use of rape in war.

### More regular donors and increased mobilisation of churches in Norway

Water as the basic need for all humans and all life, was the focus of this year's 50th Lenten Campaign. This is Norways second largest door-to-door fundraiser after the telethon on NRK and is, in addition to street recruitment of regular donors during the summer months and the Christmas Campaign, Norwegian Church Aid's main fundraising initiative during the year.

The Lenten Campaign is a central element in NCA's cooperation with congregations across the church specter in Norway. Linking this year's Lenten Campaign to the commemoration of the 500th anniversary of the Reformation enabled a larger activity on social media than previously. We view local participation as essential for our endeavor to deepen our message to the churches during the Lenten season. This creates a better link between local Norwegian congregations and our faith based actors across the world. The aim is increased mobilization and more donors, and in 2017 we achieved a collection result close to the record set two years earlier. Although the share of cash placed in the collection boxes is down due to the move toward a cashless society, the amount raised remains stable, thanks to new digital payment solutions.

Developing innovative solutions to reach private donors and donors from the Norwegian business community was also on the agenda in 2017. The result is a record recruitment of close to 7,000 new regular donors, most of whom signed up during the summer street outreach campaign. Nearly 1,700 were added during the Christmas concert "A Child is Born", which was aired on TV2 two days before Christmas Eve. The televised Christmas concert, which was preceded by a reception for invited guests, was a significant part of the commemoration of Norwegian Church Aid's 70th anniversary.

The Board followed up the challenge from some of the free churches at the Council Meeting in 2017 about the continued dialogue process concerning the Board's maternal health decision from 2011/2012. The process has resulted in an official statement of the Board's final decision from 2012.

### Development on the agenda

The United Nations' Sustainable Development Goals are central to Norwegian Church Aid's work in the political arena. Through meetings, hearings and input to party programmes and the fiscal budget, our voice has been heard by both the Government and Norway's parliament. Norwegian Church Aid has also used advocacy campaigns to ensure development was a key agenda, especially during the general election in September. Our political work has been done in partnership with religious actors, with particularly strong efforts being made in Southern Africa in 2017, where a regional and faithbased campaign against inequality was launched. Particular emphasis was placed on taxes, climate and equality in 2017.

### Prospects for the next year

Primarily, Norwegian Church Aid works in fragile states that have been vulnerable to war and conflict over many years. Fast deteriorating security for ordinary people and widespread corruption are a major and growing challenge in many of the countries where we operate. Despite the stated challenges, we stand firmly by our mission, which is to be present in these countries, alleviating and addressing the needs of people, regardless of the risks involved. Therefore, we must do absolutely everything we can to avoid exposing staff and partners to danger, and make sure that funds are not misused. However, at the same time we must also acknowledge that the contexts we operate in are among the most difficult in the

Never have so many people around the world been displaced from their homes, and there is a great need for humanitarian assistance for the foreseeable future. Therefore, we must prepare ourselves for faster and innovative humanitarian deliveries, in closer cooperation with our local partners. Local organisations must be given the opportunity to access to humanitarian funds and to build better response mechanisms. We must also continue to focus on closer cooperation with the ACT Alliance, through our local ACT sisters.

In crises, many seek the religious institutions. The places of worship are often the venue where hope is gaining ground in times of need, and hope is perhaps the most important sustenance for people to be resilient. The religious institutions are often also a source of reconciliation at the local level. At the same time, we know that religious actors can also hinder development by legitimising harmful norms and traditions that are not necessarily grounded in theology. Here, Norwegian Church Aid has a responsibility and an opportunity to stimulate theological reflection and discussion across borders and religions, to motivate change and positive action. Religious actors will continue to be our partners, our great opportunity in times of crises and we will strengthen and intensify this work.



## **Palestine**

The Augusta Victoria Hospital in Jerusalem is one of Norwegian Church Aid's partners, and in 2017, we secured a new three-year funding agreement with the Norwegian authorities. Starting from 2017, our work in Israel and Palestine is carried out in collaboration with DanChurchAid.

Photo: Heidi B. Bye/ Norwegian Church Aid

## **Burundi:**

To help farmers in Burundi respond to climate change, we organised field schools together with partners where close to 5,000 farmers were taught "smart" farming methods, and many of them report increased crop yield after the courses.



CEPBU technician Nintunze J. Bosco in Yaranda, drought-affected North Burundi shows an aubergine that is growing and thriving, thanks to the new irrigation

Photo: Gunvor E. Jakobsen/Norwegian Church Aid

## Guatemala:

As part of our cooperation in the ACT Alliance, Norwegian Church Aid's work in Guatemala and Haiti in 2017 was transferred to a joint office that we operate with several sister organisations, and our financial contribution to the work now goes through these offices.



Humour and laughter are important ingredients when six different ACT organisations work together on a joint country programme. In Guatemala we work under the name Jotay ACTing Together. Jotay is a Mayan word that means "sprout" and "renewed life", which aptly describes what we want to accomplish together. In the picture, we see representatives of Christian Aid, ICCO, Norwegian Church Aid and Bread for the World. Other partners are the Church of Swedish and Lutheran World Federation/LWF.

Photo: Norwegian Church Aid, Giuatemala





## Northern Iraq:

IS has been defeated in Northern Iraq, but the civilian population still struggles with trauma. Norwegian Church Aid and our partners in Syria, Lebanon and Northern Iraq have increased focus on mental health and psychological and social support for survivors of gender-based violence.

The Yazidis are living in danger from ISIS. NCA is supporting a project where the Yazidi woman is brought the Lalesh temple and welcomed back to the people in a ceremony with the help of Yazidi religious leaders.

Photo: Håvard Bjelland/ Norwegian Church Aid

## Norway:

In the lenten campaign tradition each year, thousands of collectionbox bearers went door to door all around the country and raised over 35 millioner kroner for NCA's work. This year's theme was "Yes, we love this water (Ja, vi elsker dette vannet)", setting the focus on water and sanitation conditions in the countries where NCA works.

Photo: Håvard Bjelland/Norwegian Church Aid



## Pakistan:

In the Sindh province of Pakistan, Norwegian Church Aid's efforts to ensure access to clean water improved people's health and led to greater social equality among different religious groups in the province.

Photo: Håvard Bjelland/ Norwegian Church Aid

## 2. THE ACCOUNTS FOR THE YEAR

The total incoming resources in 2017 amounted to 954 MNOK, with an income structure similar to that of previous years. 61% of the funding came from Norwegian Government agencies, 18% from other organisations and institutions, 18% were donations and 2% came from other sources.

In 2017 975 MNOK of expenses were incurred, of which ninety-five per cent were used to fulfil NCA's mandate or obtain new funding. The annual accounts have been prepared in compliance with the Norwegian Accounting Act and Norwegian accounting standards for NGOs.

The annual result totaled minus 21 MNOK. 40 MNOK of this is due to earmarked donations received in previous periods and spent during 2017, e.g. TV Telethon funding. The unrestricted funds were increased by 19,5 MNOK.

The liquidity is good; the net cash outflow differs from the annual result due to repayments of mortgage and investment of surplus liquidity.

## 3 WORKING ENVIRONMENT

Norwegian Church Aid strives for diversity and promotes inclusiveness across the boundaries of religion, ethnic origin, culture, gender, age, disability, sexual orientation and political views.

Positions are established in the organisation in order to ensure the highest level of professionalism, and specialists at the Head Office work together with their counterparts at the Representations. This gives the staff an experience of working in a truly global organisation, while at the same time, reinforcing coordination across Norwegian Church Aid's operations. Norwegian Church Aid's technical infrastructure, such as the intranet, global ERP system, and document management system, ensures information sharing and supports our work around the world.

There was a rate of 3.29% sick leave at the Head Office in 2017 compared to 4,34% in 2016.

Great Place to Work Employee survey was carried through at Head Office fall 2017. Follow-up measures are identified in all departments and these will be carried through and followed up in 2018.

As of December 31st 2017, Norwegian Church Aid had 136,9 permanent and 7 temporary employees at the Head Office, compared to 142,3 permanent and 11 temporary employees 31.12.2016.

Year	2012	2013	2014	2015	2016	2017
Permanent Positions Head Office	149,2	137,7	144,2	136,6	142,3	136,9
Temporary Project Positions Head Office	2,3	0,6	7,0	8,4	11	7
Total Head Office	151,5	138,3	151,2	145,0	153,3	143,9
NRK Telethon 2014	0	0	12.0	0	0	0
Positions in Country Offices on contract from Head Office	45,7	47,0	53,0	45,0	47,0	42,5
Positions in Country Offices on local contract	820	768	669	629	541	523

Member of staff in the period 2012-2017:

Department of International Programmes	48,7
Department of Communications	13,5
Marketing Department	27,9
Department for Human Resources	10
Department of Finance	29,8
Department for Politics and Society	6
Secretariat	2

By the end of 2017 Norwegian Church Aid employed 136,9 permanent members of staff. They were distributed between the various departments as follows:

Our staff members around the world are localised as follows:

	2015 Expats	2015 Local	2016 Expats	2016 Local	2017 Expats	2017 Local
Afghanistan	2	55	2	48	2	50
Angola	1	11	1	11	1,5	16
Bangladesh	0	0	0	0	1	0
Brazil	0	2	0	0	0	0
Burundi	1	15	1	13	1	18
DR Congo	3	30	2	28	1	18
Ethiopia	2	30	2	41	2	44
Guatemala	1	8	0	8	0	0
Greece	0	0	3	0	0	0
Haiti	2	19	3	12	0	0
Jordan	2	0	4	4	5	4
Kenya	1	16	1	10	1	10
Laos	0	39	0	0	0	0
Malawi	1	18	1	18	1	17
Mali	1	36	1	36	1	50
Myanmar	1	6	1	4	0	0
Nepal	1	0	0	0	0	0
Northern Iraq	4	39	6	21	4	20
Niger	0	0	0	0	2	0
Nigeria	0	0	0	0	3	0
Pakistan	1	23	1	25	1	23
Palestine and Israel	1	7	0	0	0	0
Serbia	1	0	0	0	0	0
Somalia	0	23	0	15	0	14
South Africa	1	7	1	5	0	3
South Sudan	6	80	5	69	6	68
Sudan	3	118	3	127	4	127
Switzerland*	3	0	3	0	3	0
Syria/Turkey	2	0	0	0	0	0
Tanzania	2	17	4	21	1	19
Vietnam	1	9	1	5	0	3
Zambia	1	21	1	20	2	19
TOTAL	45	629	47	541	42,5	523

<sup>\*</sup> In 2013 two positions were established in Switzerland (Geneva). They work with the coordination of the global "water, sanitation and hygiene cluster". As of 2017 these are home-based positions.

## 4. EQUAL OPPORTUNITY

Norwegian Church Aid is committed to equal opportunity and equal rights for all employees, regardless of gender. We strive for gender balance at all levels, both at the Head Office and at the Representations. Women and men are provided the same opportunities for professional development and salary increases.

The gender breakdown of employees shows 58% women and 42% men at Head Office, and 36% women and 64% men at the Representations (including employees on contract from Head Office). The senior management team is made up of 50% women and 50% men and division leaders consist of 75% women and 25% men. The Board consists of 50% women and 50% men.

Total	Head Office		Country Offices			
	Female	Male	Female	Male		
Managers	70 %	30 %	31 %	69 %		
Staff	58 %	42 %	36 %	64 %		

# 5. PROSPECTS FOR THE NEXT YEAR

During 2018, the organisation will continue to focus on three strategic areas:

### Mobilise and highlight our religious partners

NCA will work towards making the central role religious actors play in aid visible to key stakeholders.

### More money in, more money out!

NCA will continue to work towards increasing our financial volume and the percentage of it transferred to partners. We will work towards being more visible to key stakeholders where the money come from and how it is used.

### Innovate

NCA will work toward becoming an organisation where employees propose innovative solutions. Innovation and fostering an innovative work culture is an important goal for NCA.

## 6. GOING CONCERN EXPECTATION

The annual accounts are based on the assumption that Norwegian Church Aid is a going concern. The organisation has neither the intention nor the need to liquidate or curtail materially the scale of operations. This expectation is based on the forecast for 2018 and long-term strategic plans. The organisation is in a sound financial position.

## 7. ENVIRONMENTAL CONSIDERATIONS

The organisation is not engaged in production or other activity that adversely affects the external environment. One of the organisation's goals, however, is to promote positive environmental practices at all levels of project intervention.

## 8. RISK MANAGEMENT

Norwegian Church Aid's income is based on popular funding from the Norwegian society and institutional funding from Norwegian public authorities, and international donors. This means that Norwegian Church Aid's financial risks are strongly correlated with the organisation's ability to remain a relevant and credible actor in the humanitarian sector, particularly in the eyes of the Norwegian authorities, partners, media and Norwegian public opinion. In this regard, the financial risks are closely connected to the reputational risks to which the organisation is exposed.

We strive for efficiency and quality starting from the planning phase through the implementation and reporting of all our projects. Moreover, we meet – and quickly resolve – challenges associated with corruption, fraud and mismanagement by putting in place strict procedures, carrying out external audits, as well as closely following up when these instances occur. Norwegian Church Aid annually presents a report of fraud and corruption cases that the organisation has faced each year. The report Norwegian Church Aid Report on Corruption and Assets Misappropriation 2017 is distributed to

Norwegian authorities as well as published on Norwegian Church Aid's website. Transparency is an important part of Norwegian Church Aid's work against corruption, and also contributes to reducing the risks that fraud and corruption presents.

Norwegian Church Aid is also exposed to financial risk through the financial investment and currency markets. The liquidity is good and the credit risk is negligible.

The #metoo movement took off in 2017. NCA has for a long time worked systematically to prevent sexual exploitation and abuse. NCA has both preventive measures and a central complaint handling system in place. Main focus onward is to ensure local complaint handling mechanisms.

## 9. CONCLUSION

The Board of Directors considers that the annual financial statements and accompanying notes and cash flow statement give sufficient information about operations and position at year-end. No event has occurred after year-end that is of significance in the assessment of the financial statements.

Oslo, April 26th 2018

Kietil Aano

Chair of the Board

**David Hansen** 

Board member

Jorunn Strand Askeland Board member

Øyvind Eggen

Board member

Sissel Vartdal

Deputy chair of the Board

Tuva Krogh Widskjold

**Board** member

Ingeborg S. Midttømme

Board member

Odd Halgrim Evjen

Board member

Anne-Marie Helland General Secretary

Brita Bye

Board member

Ottar Mæstad

Board member

Kjersti Thoen

Board member

Bo Christoffer Iwar Brekke Board member