

Annual Report from the Board 2021



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Norwegian Refugee Council

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Cover photo: Mohammed Zaanoun/NRC

Shadow games in Gaza. NRC staff member Yousef Hammash throws his daughter Eliaa high up in the air.

NRC's mandate and organisational set-up

The Norwegian Refugee Council (NRC) is an independent humanitarian organisation working to protect the rights of displaced and vulnerable people during crises. NRC provides assistance to meet immediate humanitarian needs, prevent further displacement and contribute to durable solutions. NRC is Norway's largest international humanitarian organisation and widely recognised as a leading field-based displacement agency within the international humanitarian community. NRC is a rights-based organisation and is committed to the humanitarian principles of humanity, neutrality, independence, and impartiality. NRC is registered as a foundation under Norwegian law.

2021 marked the 75th anniversary of NRC. To commemorate the anniversary, a [history book](#) was written by NRC staff, documenting the most important moments in NRC's history and the journey from a post-World War II fundraiser to the organisation NRC is today, with over 15,000 aid workers assisting millions of people around the globe.

In 2021, NRC worked in both new and protracted crises across 35 countries. Its main activity is the delivery of humanitarian aid through programme activities in the field. NRC specialises in six areas of expertise, also known as core competencies within NRC: shelter and settlements; livelihoods and food security (LFS); information, counselling and legal assistance (ICLA); education; camp management; and water, sanitation and hygiene (WASH).

NRC advocates towards decision-makers in order to obtain full respect for the rights of displaced and vulnerable people. It advocates at local, regional, national and global levels, basing its messages and strategies on first-hand experience and specialised expertise.

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.

NORCAP is NRC's global provider of expertise to the humanitarian, development and peacebuilding sectors. It builds partnerships with international organisations and national actors to protect lives, rights and livelihoods. NORCAP provides expert personnel and collaborates with partners to identify needs and establish common goals and projects. It helps strengthen partner capacity and improve coordination and collaboration.

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 office

in Nairobi, the Central and West Africa office in Dakar, and the Asia, Europe and Latin America office in Oslo.

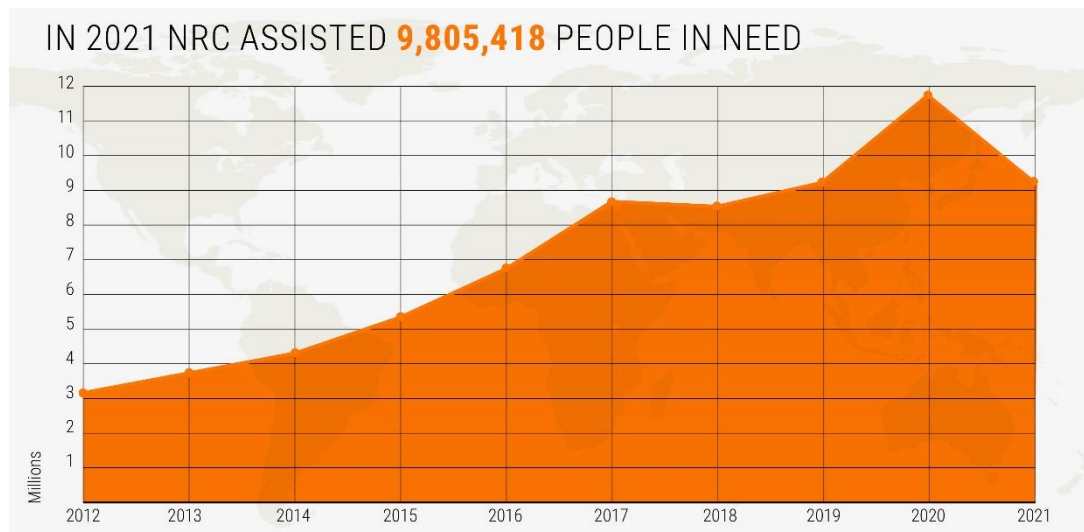
During 2021, NRC also had representation offices in Brussels, Geneva, Berlin, London and Washington DC. Representation offices have been established to ensure close and ongoing dialogue with decision-makers and partners around the world.

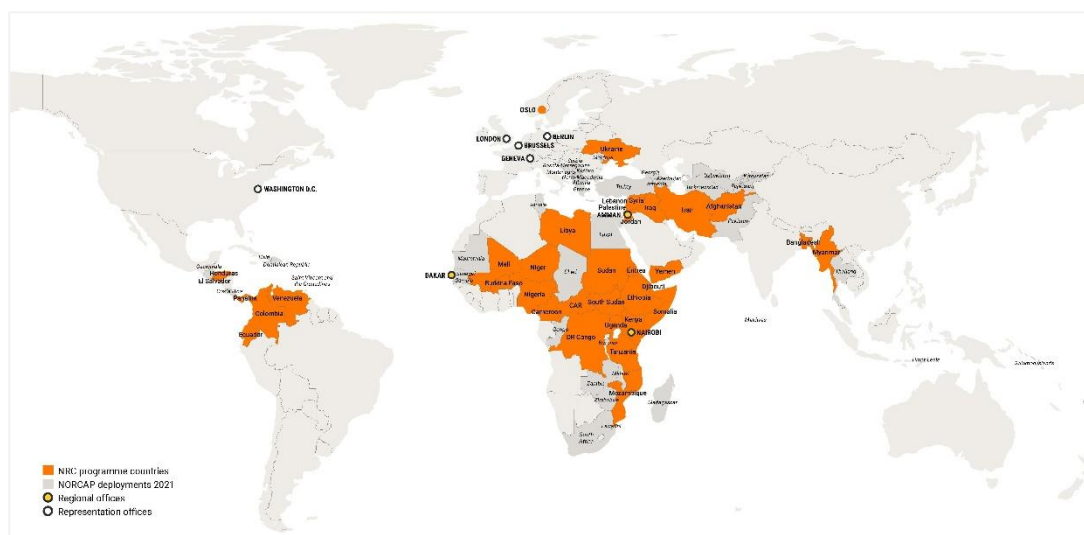
NRC's head office is located in Oslo, from where NRC participates actively in Norwegian public discussions, engaging in a broad range of information, advocacy and fundraising efforts targeting decision-makers, civil society and the public at large.

At the end of 2021, approximately 15,400 people worked with and for displaced people on behalf of NRC. Of these, NRC employed a total of 9,464 staff members (including NORCAP experts). Most of the staff (7,400) are hired nationally to work for one of NRC's country programmes, while a smaller number are based at the head office in Oslo or at the regional and representation offices.

Programme activities

NRC reached 9.8 million people in need of humanitarian assistance across 35 countries in 2021. This is lower than the 12 million people assisted in 2020, a year heavily impacted by Covid-19 and a global scale-up of activities related to water, sanitation, and hygiene (WASH). However, the number of people assisted in 2021 remains higher than pre-pandemic levels, with 9.1 million people reached in 2019.





NRC presence per 31 December 2021.

Similar to 2020, 2021 was influenced by the Covid-19 pandemic and its secondary impact. Across the regions and countries in which NRC operated, the unprecedented pandemic exacerbated already existing vulnerabilities.

In the Middle East region, NRC continued to grapple with significant access constraints to its humanitarian operations, including the negative impact of counterterrorism measures and sanctions. Throughout 2021, a key programmatic focus was durable solutions. However, in a context where return is not a feasible option in the near future for the vast majority of refugees, and where integration is difficult, NRC is exploring approaches to solution-oriented programming. 2021 marked ten years of the Syria conflict, while the spread of Covid-19 and the associated economic pressures have exacerbated the humanitarian needs further. An estimated 13.4 million people are in need of assistance inside Syria, with an additional 10 million in neighbouring countries. The continued deterioration in Lebanon has been compounded by the current political stalemate, a collapsing economy and the devastating health and economic impacts of Covid-19, as well as the enduring effects of the Beirut explosion in August 2020.

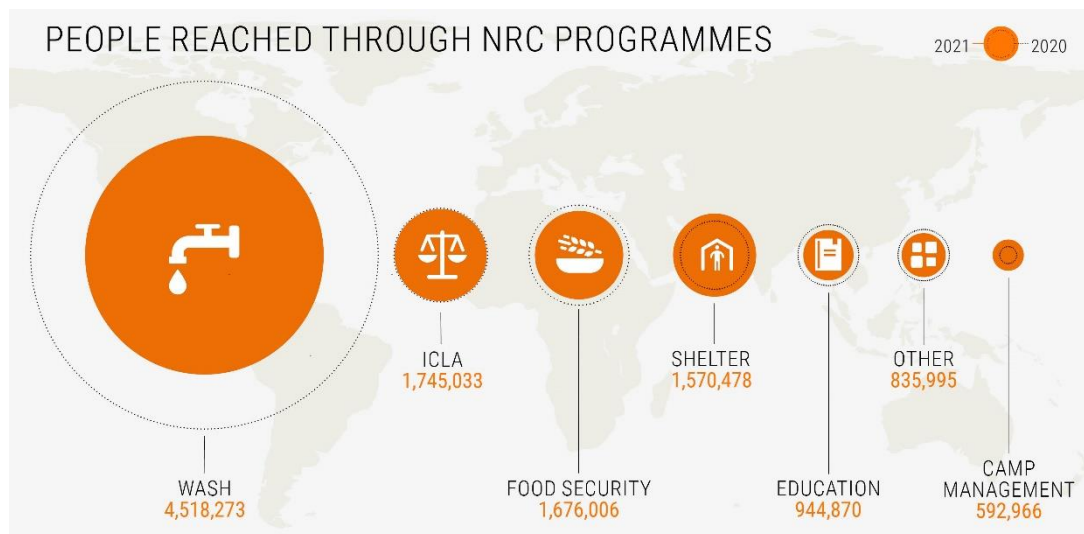
Across the East Africa and Yemen region, conflict and climate shocks remain major drivers of food insecurity, and Yemen, South Sudan and the Tigray region of Ethiopia face significant risks of famine. The impact of Covid-19 has continued to be felt, with rising unemployment, shattered livelihoods and increasing hunger. In 2021, NRC established a new country programme in Mozambique to respond to the large-scale displacement brought on by the surge in conflict. The humanitarian community in Mozambique is grappling with a volatile context characterised by spontaneous returns, flareups of violence and ensuing displacement. Sudan, meanwhile, is undergoing a social and political transition, facing continued insecurity, a severe increase in internally displaced people (IDPs) and an economic crisis. Similarly,

Ethiopia remained a concern in the region throughout 2021. Against the backdrop of expanding conflict and growing humanitarian needs, a humanitarian response on the scale that is required is still not possible. NRC's operations were suspended by the authorities for a total of five months during 2021. The Authority for Civil Society Organizations (ACSO) ordered the suspension at the end of July citing the advocacy of NRC on humanitarian needs and access in the country, and a number of administrative issues relating to the organisation's work. The board of ACSO prolonged the suspension at the end of October and asked further questions. NRC provided full and prompt answers and explanations to all allegations and questions made throughout the process. The Board lifted the suspension on 31 December and cleared the organisation for most of the allegations made. It issued a "strict warning" to the organisation referring to the advocacy of NRC and two administrative matters.

Principled humanitarian action remains extremely challenging throughout the Central and West Africa region, which is grappling with limited access and erosion of humanitarian space. International attention, and consequently humanitarian financing, remain low in the region, resulting in an increased gap between the significant humanitarian needs and the funding available. While conflict and displacement are the major drivers of poverty and food insecurity, exceptionally dry conditions and poor harvests, conflict over water, and tensions between herders and farmers, as well as the secondary effects of Covid-19 measures, have increased vulnerabilities. The Central Sahel remains one of the fastest growing humanitarian crises in the world, mainly driven by insecurity, extreme poverty, the pandemic and the effects of the climate crisis. The number of displaced people has increased tenfold, growing from 213,000 in 2013 to 2.6 million at the end of 2021. After more than a decade, the conflict in the Lake Chad Basin continues with new spikes in violence and military operations forcing thousands of people to flee with very limited protection.

The Asia, Europe and Latin America region include contexts that face a variety of displacement-related challenges. These include mixed migration that is frequently politicised, natural disasters as drivers of displacement in countries such as Afghanistan and Bangladesh, and political earthquakes with major humanitarian ramifications, including but not limited to the military coup in Myanmar and the rapid takeover by the Taliban in Afghanistan. This is compounded by operational challenges related to humanitarian space and the funding environment. The region continues to confront the twin challenges of dealing with assertive government and non-state actors who lack knowledge of, or are unwilling to adhere to, humanitarian principles. With a continued insistence on principled humanitarian action, NRC chose to "stay and deliver" in Myanmar and Afghanistan as both countries underwent major political upheavals in 2021. The year also involved continued assessment of the evolving conflict dynamics in Ukraine, as well as of the potential expansion of NRC's response to the Rohingya displacement crisis in the region. Finally, NRC strengthened its presence in Latin America through representation in Panama and the new country programme for North of Central America and Mexico.

The distribution of people assisted changed across the regions in 2021, with a continued steady increase in scale in the Asia, Europe and Latin America (AELA) region, while the Middle East (MERO) region appears to have reversed the downwards trend of the previous two years. Both the East Africa and Yemen (EA&Y) region and the Central and West Africa (CWA) region reached fewer people in 2021 compared to 2020. Data indicates that water, sanitation and hygiene (WASH) continues to be the largest programme modality in terms of people reached across all four regions. This is followed by information, counselling and legal assistance (ICLA) in AELA, shelter in CWA and MERO, and livelihoods and food security (LFS) in EA&Y.



There was a significant increase in the number of people reached through camp management activities, followed by shelter. Information, counselling and legal assistance (ICLA) saw a slight reduction in reach, as did education, livelihoods and food security (LFS), and water, sanitation and hygiene (WASH). Country offices continued to report a substantial increase in people reached outside the usual core competencies, including through multi-purpose cash programmes and protection programmes.

NRC's Global Strategy 2018–2020

In October 2019, the NRC Board approved a one-year extension of NRC's Global Strategy until the end of 2021. The strategy has four main ambitions:

1. Be a leading displacement agency in hard-to-reach areas
2. Be a champion for durable solutions
3. Become a leader in using data and technology to deliver better
4. Be a great organisation to work for

Be a leading displacement agency in hard-to-reach areas

The overall aim of NRC's hard-to-reach (H2R) ambition is to enable operations in areas that are difficult to access with sustained humanitarian programmes. In 2021, attention was given to improving NRC's evidence base in H2R areas, with a focus on data collection and analysis. NRC finalised its H2R baseline, enabling it to assess progress in operations in H2R areas. It also developed a process to regularly collect data from country offices on access challenges and analyse these inputs to produce monthly access briefs. As well as regular data collection and access monitoring, dedicated research was conducted to analyse access constraints in challenging contexts. A research study was produced examining the impact of assertive authorities' bureaucratic practices in Yemen, which informed advocacy in support of the Senior Officials' Meetings. The humanitarian access analysis explored the links between access and severity of needs within the programme cycle, and potential opportunities for improving this. It established a better understanding of people's access to humanitarian aid and explored the risks and potential risk-sharing approaches specific to H2R programming.

NRC prioritised capacity building to improve the knowledge base and skillset of colleagues across country offices to implement H2R programming. NRC continued to conduct negotiation training courses, which were held in Dakar, Yemen, Colombia, Sudan and Syria in 2021. Direct support to country offices was provided in Ethiopia, Sudan, Myanmar, Burkina Faso and Niger through training sessions on humanitarian principles and the development of operational and access strategies. An advanced access e-learning training was finalised and refined with additional resources to improve understanding of access across the humanitarian community. NRC also piloted a new training with representatives of local authorities in Tillabery, Niger.

During the 2018–2021 strategy period as a whole, NRC succeeded in enhancing the institutional understanding and consideration of humanitarian access and programming in H2R areas. The understanding of access constraints improved, and the organisation invested in capacity building through negotiation training sessions in multiple languages, reaching around 1,400 participants.

Efforts in 2021 supported the development of a wider capacity-building approach to be implemented as part of the NRC Global Strategy 2022–2025, whereby decision-makers will receive training at the country and global levels. During the next strategy period, NRC will build on this progress and develop an internal-access data platform to increase information sharing across the organisation, improve operational and strategic decision-making and enable evidence-based advocacy. NRC's expertise and experience to date will inform the negotiation and engagement tools and trainings. These will be adapted to increasingly complex and diverging operational contexts such as navigating access in environments with assertive authorities and engaging with criminal gangs. In 2022, NRC will work to enhance its own capacity to respond in H2R areas, in addition to enabling other actors to meet the needs of populations in H2R

areas in a principled manner. NRC will continue to support coordination mechanisms, develop an approach to principled work with local actors, and address systemic failures.

Be a champion for durable solutions

In 2021, NRC continued to work towards enabling durable solutions for IDPs and refugees across its operations. Durable solutions include return, local integration, and resettlement for refugees in a third location. This work was underpinned by research and analysis and included designing programmes to address barriers to durable solutions, being a strong and principled advocate for displaced populations, and forming strategic partnerships with key displacement actors. NRC also worked to increase funding for durable solutions, from both humanitarian and development donors.

Building on a review of its durable solutions work conducted in 2020, NRC formulated in 2021 a strategic objective on self-reliance and durable solutions for the Global Strategy 2022–2025. A key achievement was the launch of durable solutions as a stand-alone development area of NRC's Global Programme Section (GPS). Economic inclusion, which is a programme development area for the durable solutions ambition, remained a key area of focus in 2021. With funding from the Hilton Foundation, NRC completed a one-year learning project in September 2021, which showcased its wide range of global programming that contributes to economic inclusion and self-reliance for displacement-affected populations. The findings will inform the further development of economic inclusion in NRC.

At the country level across all four regions, NRC continued to implement a diverse range of programming, research, advocacy and coordination initiatives that contributed to displaced people's efforts to integrate locally, return sustainably, or settle in a third location. In Iraq, a multi-sectoral programme on durable solutions was rolled out, funded by the German development bank KfW. In Somalia, NRC facilitated the development of a National Durable Solutions Strategy (NDSS), the first of its kind in the region. The strategy will act as an operational roadmap with a collective vision, objectives and principles to guide the implementation of durable solutions programming and policies in the country. NRC has pioneered people-driven economic self-sufficiency initiatives for IDPs and returnees in Myanmar, taking advantage of market opportunities to help people improve income generation in their places of origin or in resettlement host communities. Synthesizing the results of three years of research in Jordan, NRC issued a report called *The Journey Home: Challenges and Barriers for Syrian Refugees in Jordan Returning to Syria*.

Overall, however, NRC's progress on durable solutions at country level has unfortunately been slow due to limited support resources and the lack of dedicated staff capacity to lead implementation of this ambition across the organisation.

Throughout the strategy period 2018–2021, NRC has seen consistent growth in development funding for durable solutions. From 2017 to 2019, NRC nearly doubled

its income from development donors DEVCO, KfW, GIZ, Norad and UNDP from NOK 272 million to NOK 554 million. Most of this development funding has been channelled across NRC country programmes, including Afghanistan, Lebanon, Iraq, Jordan, Somalia, Ethiopia, Myanmar and South Sudan.

In 2022, NRC will focus on establishing one organisational framework for durable solutions. A dedicated global lead for self-reliance and durable solutions has been appointed and will ensure the completion of the global programme strategy for this development area, draft framing papers on self-reliance and durable solutions respectively, and develop a paper on conditions for accepting development funding. Another focus area will be to implement the economic inclusion concept and capture learning.

Become a leader in using data and technology to deliver better

NRC maintained business continuity throughout the Covid-19 pandemic, with the help of digital solutions adopted in 2020. Collaboration and remote working tools have now become part of the way NRC staff work, and will continue to be valuable as the organisation, or parts of it, embrace a hybrid working approach. Some of these solutions have allowed NRC to digitise business processes, reducing execution times and driving efficiencies. For example, in 2021 over 68,000 digital signatures were used to support a variety of requests and approval processes across the organisation.

NRC continued its development and deployment of digital solutions to support key support function processes such as finance, human resources, logistics, private donor management and grants management. While these solutions are usually beneficial to the specific functions for which they were developed (e.g. NRC People is used to support human resource processes), NRC was able to make use of data to address an urgent business challenge in Afghanistan. As international coalition forces finalised their withdrawal in August 2021, NRC decided to issue all staff with work certificates to facilitate any individual decision to leave the country as the Taliban took over. What would have taken weeks or more to do in the past, was possible in just a few days thanks to the data available in NRC People, project data from NRC's finance system Agresso and an email marketing service. NRC issued over 1,400 certificates of employment for all NRC Afghan national staff, community workers and consultants. Following that, a service-desk solution was used to manage a large number of US P2 visa requests following the pull-out of the US forces.

There have also been considerable developments in field-driven as well as external-facing use of technology to support the provision of aid to the people served by NRC. For example, in the East Africa and Yemen region, the regional ICT and Logistics unit worked together to develop a solution for secure digital tenders. In Latin America, the IPI Conse app, which provides information to migrants from Venezuela, was used by over 73,000 people – an increase of over 270 per cent from 2020. Most of the users were women between 25 and 34 years old, who were mostly interested in legalisation, nationalisation, migration requirements and contacting NRC for other support. At

global level, NRC continued with the development of the Kobli application as part of NRC's digital ICLA services. The application is designed to provide both generic information and guidance on navigating the legal requirements in some of the specific scenarios faced by people seeking civil documentation or other related services. The application will be field-tested in 2022 and will include a scheduling feature for communications and appointments as well as a secure and confidential client portal.

NRC is set to continue expanding the number and reach of new digital solutions for the people it serves. For example, it is establishing Backbone, a managed cloud environment, to better host critical NRC digital applications in a more secure and efficient manner.

In 2021, there were several cyber-attacks on NGOs and donors (including USAID) that point to an increased targeting of the humanitarian sector. To address these kinds of threats, NRC focused on protecting key information assets, implementing a solution for the backup of the Office 365 environment and launching a staff awareness campaign. While these are important steps, NRC will take further measures to ensure information security for its more than 15,000 staff, incentive and other workers in 2022.

Be a great organisation to work for

In 2021, NRC launched the NRC People recruitment module and continued to strengthen the Global Recruitment Centre in Nairobi. Since the Centre was established in 2020, the demand for recruitment expertise and facilitation accelerated and in one year the Centre has finalised more than 650 recruitment processes. NRC established a Human Resource Management System (HRMS) unit in 2021, with a global helpdesk function, providing global support to countries under sanctions.

Covid-19 continued to challenge NRC's ways of working in 2021, impacting the work of HR across the organisation. Remote working introduced many legal and policy challenges, which are still impacting the organisation. Global HR teams have balanced adaptation to the "new normal" with "back to normal," while providing support to emerging crises in the contexts where NRC operates.

NRC conducted a focus group study into "the new work normal" in 2020, which led to the establishment of two separate projects led by Global HR in 2021 – The New Normal for Employment, and The New Normal for Nationalisation. Recommendations from both projects will be presented in 2022.

The pandemic has led to positive changes and new ways of working involving remote and online learning initiatives. To be able to deliver leadership programmes more widely in the organisation, NRC developed an online leadership development programme targeting national and female leaders. The programme was piloted with participants from Iraq in June–September 2021. In addition, NRC conducted a leadership development programme for line managers and leadership talents at head office, representation offices, and the Internal Displacement Monitoring Centre (IDMC) in November.

NRC's newly developed Leadership Journey aims to build a culture that recognises staff, strengthens the accountability of leaders and encourages them to grow with the organisation. Adapted modules will be delivered separately to different leadership levels in the organisation, starting with senior management during spring 2022.

A 360-degree assessment tool, based on NRC's new leadership profile, was designed and piloted with the Field Operations Management Team in 2021 with encouraging results. Lessons learnt from the pilot will be integrated in both process and communication before the tool is launched to the rest of the organisation.

The ambition level for the current strategy period (2018–2021) was high, and NRC has not been able to close the gap between the starting point/baseline and the ambition level during the period. Lack of resources, maturity and absorption capacity for major change processes have impacted the strategy implementation. NRC has focused on laying the foundation for strategic development of the workforce, and the next strategy period will be a continuation of long-term ambitions from the current strategy with some adaptations reflecting changes in the internal and external environment.

NRC's Global Strategy 2022–2025

In 2021, the NRC Board approved the Global Strategy 2022–2025. The strategy was developed over several months with a great deal of input, consultation and healthy debate from colleagues across the organisation. The strategy sets out four sub-objectives for areas that NRC will continue to strengthen and further institutionalise, namely durable solutions, assistance to hard-to-reach populations, humanitarian policy, and protection. It also points to four areas of work that will be accelerated through expanded engagement and investments: advocacy, climate and environment, collaboration with local actors, and quality programming. NRC will also seek to improve its internal procedures and processes to ensure efficient and effective delivery of the organisation's mission.

NORCAP

Throughout 2021, NORCAP and its experts continued to navigate the challenges related to the Covid-19 pandemic. Despite travel restrictions and some limitations to field work, NORCAP's experts delivered services to people in volatile contexts in 76 countries.

In 2021, NORCAP continued to develop its work on climate and clean energy. Through the Climate Services project in West Africa, NORCAP has strengthened national and regional institutions' ability to predict, warn and prepare for climate-related events, and has improved communication with the end users. Regional climate centres, national meteorological institutions and UN agencies have been key strategic partners in this project. NORCAP has played a crucial role in ensuring impact-based forecasting and last-mile end-user reach.

Cash is an important instrument for providing a more dignified response to people in vulnerable situations. NORCAP has experienced a large growth in its cash support, with 46 interagency expert missions in 2021. This is a 35 per cent increase from 2020 and the largest number of missions since the programme began. With the development of its Cash and Markets strategy for 2022–2025, NORCAP aims to increase local and national actors' leadership roles in cash and voucher assistance (CVA) responses, supporting quality CVA coordination and innovative, integrated approaches.

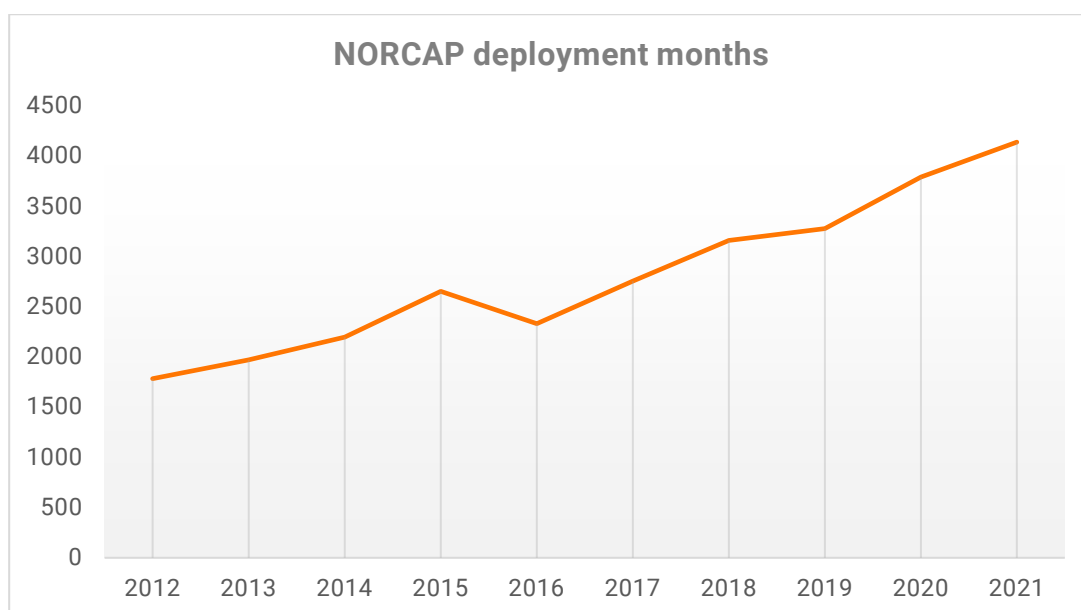
NORCAP's long-term goal is to strengthen the relevance, quality and impact of humanitarian aid through the meaningful participation of people affected by crisis and disasters. In 2021, NORCAP focused on more strategic community engagement and accountability missions that helped drive system change and strengthen participation of affected populations in humanitarian programming.

In the Sahel region, NORCAP has, through its education project with UNHCR, improved access to quality education for refugee children and youth in Burkina Faso, Cameroon, Mali, Mauritania and Niger. As a result of these efforts, an increased number of refugee children and youth are enrolled in school or have accessed other learning opportunities such as vocational training and remedial programmes. With a stronger focus on durable solutions for children and youth, these educational initiatives are tailored to meet current as well as future needs, such as studies or livelihood opportunities.

In Greece, NORCAP has built strong working relations with national actors and other stakeholders on migration and refugee flows management. NORCAP contributed to the establishment of the National Referral Mechanism for victims of trafficking. This mechanism has significantly increased the speed of referrals for asylum-seeking unaccompanied minors from refugee camps to shelters.

Throughout 2021, NORCAP supported conflict monitoring, mitigation and prevention initiatives in Ukraine, South Sudan, the Philippines and Colombia. Support to third-party mechanisms is aimed at monitoring ceasefire breaches and violations of human rights. NORCAP worked with partners at The Norwegian Institute of International Affairs (NUPI) and the Effectiveness of Peace Operations network to gather lessons from third-party mechanisms on how to improve the effectiveness of personnel, mandates and missions overall.

During 2021, NORCAP provided a record number of 4,140 months of expert deployment to partners supporting a variety of areas including capacity building, coordination, protection and energy.



Advocating for the rights of displaced people

While governments and the general public focused on the ongoing Covid-19 pandemic in 2021, NRC continued to advocate not only on the secondary impacts of the pandemic on displaced populations, but also on the most severe and neglected crises affecting people forced to flee in the range of countries where NRC works.

In May, NRC released its flagship annual report on the [World's Most Neglected Displacement Crises](#), which analyses displacement crises based on lack of funding, lack of media attention, and lack of international political and diplomatic initiatives. NRC's Secretary General launched the report from the Democratic Republic of the Congo (DR Congo), which was named the world's most neglected displacement crisis, alongside other predominantly African countries. The report was widely covered by both Norwegian and international media, including CNN, BBC, Al Jazeera, and several news wires. In 2021, NRC increased its private diplomatic engagement based on the report to press for action to address displacement crises exacerbated by chronic neglect by UN member states, donors and the media. Engagement included a virtual briefing with donor representatives and decision-makers on the top two countries on the list, DR Congo and Cameroon.

NRC's advocates spearheaded efforts in the wake of the Taliban takeover of Afghanistan to ensure humanitarian needs were put front and centre. NRC's media work and interviews in Norwegian and international press throughout the first weeks of the crisis, which included NRC staff giving first-hand accounts from inside the country, helped shape the narrative and focus attention on humanitarian needs and the rights of people fleeing both inside and out of Afghanistan. NRC's public and private advocacy to unfreeze and facilitate aid to Afghanistan contributed to an

increase in assistance to address immediate needs. These advocacy efforts also contributed to US authorities issuing guidance and comfort letters to encourage private banks to transfer money into the country.

In December, the UN Security Council (UNSC) unanimously adopted a resolution exempting humanitarian organisations from Resolution 1988, which imposes sanctions on the Taliban. NRC, in collaboration with the humanitarian community, led extensive advocacy efforts towards this outcome. The adoption of this resolution marks only the second time that the UNSC has ever adopted an exemption for humanitarian activity. It will help ensure humanitarian aid can reach Afghanistan and provide private sector actors with legal clarity to facilitate the transactions necessary for humanitarian activities in the country at a time of dramatically increasing needs. Since the resolution was adopted, UK and EU authorities have incorporated humanitarian exemptions in their own sanctions regimes.

Beyond the crisis in Afghanistan, NRC's advocacy on other country contexts also contributed to positive results in 2021. For example, NRC's advocacy on Syria and Iraq focused on the drought and water crisis affecting over 12 million people and contributed to significant progress towards an agreement between Turkey and Iraq on sustainable and equitable water-sharing arrangements, as well as towards a whole-of-Syria United Nations response plan to deal with the water crisis.

Through advocacy at the UNSC, NRC contributed to the sanctions regimes on Mali, the Central African Republic and DR Congo being renewed with new language safeguarding humanitarian space. The additional text includes language that demands that member states implement the resolution in compliance with their obligations under international law, including International Humanitarian Law (IHL). It also highlights that the sanctions regime is not intended to have adverse humanitarian consequences for the civilian population. From the Sahel to Yemen to Venezuela and beyond, NRC's advocacy connected evidence from the field with decision-makers in capitals.

NRC continued its efforts to address conflict and hunger. NRC's advocacy towards the UK government, while the UK held the G7 presidency, contributed to putting conflict and hunger on the agenda, and ultimately towards the adoption of an international compact on conflict and hunger that included strong specific commitments to humanitarian protection and access as a key precondition to preventing famine.

In 2021, principled humanitarian action became increasingly challenging, highlighting the need for a unified response by humanitarian organisations and the UN system to shrinking humanitarian space in the context of assertive governments. NRC initiated a series of advocacy efforts to counter and respond to this, which will continue in 2022. NRC continued to advocate to increase awareness of the impact of counterterrorism measures and sanctions regimes on principled humanitarian action and on the need for safeguards to protect humanitarian space. NRC engaged with the

humanitarian community on the Toolkit for Principled Humanitarian Action: Managing Counterterrorism Risks, to support efforts to recognise and mitigate the risks that counterterrorism and sanctions measures can present for principled humanitarian action. NRC's ongoing focus on this topic led to donors taking steps to safeguard humanitarian space, including through adjusting language in grant agreements and issuing guidance. It also led to the implementation of safeguards at the global level, such as the inclusion of language protecting principled humanitarian action in the Global Counterterrorism Strategy.

In June 2021, NRC's Secretary General became the Eminent Person of the Grand Bargain, an agreement between some of the largest donors and humanitarian organisations to improve the effectiveness and efficiency of humanitarian action. Through this role, NRC is in a unique position to steer reforms aimed at improving the system, through efforts such as ensuring that implementing organisations receive a critical mass of quality funding and working towards making the aid system more localised. In this role, the Secretary General has also pushed for a solution to inadequate coordination of the delivery of multi-purpose cash in emergency settings, an issue which it had not been possible to reach agreement on for the past eight years.

NRC has adopted a new Global Strategy for 2022–2025, which sets advocacy as an area to be accelerated. Based on this, plans were developed during 2021 for how NRC will optimise its capacity to systematically identify barriers preventing displaced people from exercising their rights; generate evidence from its field presence and press to change laws, policies and practices that enable displaced people to access aid and protection; remove barriers to self-reliance and durable solutions; and address the political factors that create or sustain displacement.

Finance and revenue base

NRC's financial income continued to grow during 2021. Total income ended at NOK 5.68 billion, an increase of 4 per cent compared to the budget of NOK 5.43 billion. The annual accounts show a positive activity result of NOK 104 million, which is NOK 95 million higher than the budget for the year.

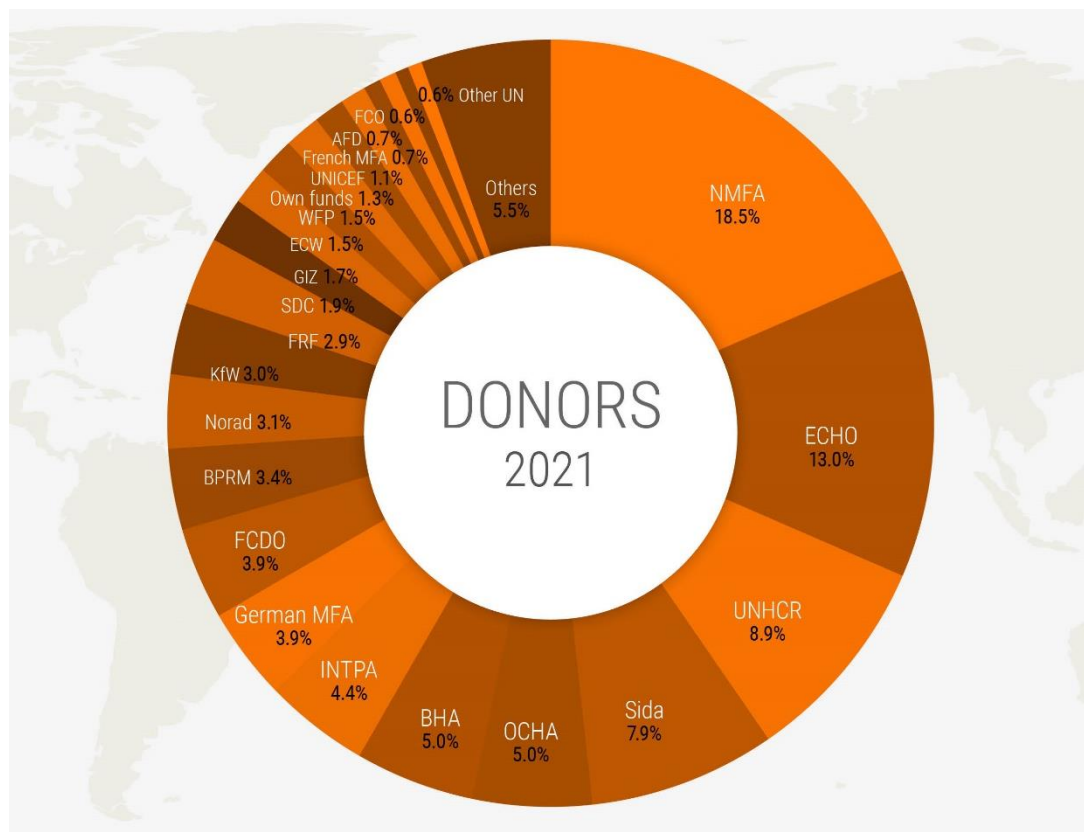
The financial status of NRC can be described as consistently healthy and has been for several years. The strong financial results for 2021 are still partly results of reduced costs due to the Covid - 19 pandemic (i.e. less travel and fewer internal seminars and trainings), strong cost control and favourable foreign exchange rates. There were also some budgeted projects and recruitments which were not finalised in 2021.

The net result is added to NRC's equity and will enable the organisation to further invest in its strategic priorities and increased project implementation in the coming years. Equity with internal restrictions was decreased by NOK 7 million in 2021 and other equity was strengthened by NOK 111 million. By the end of the year, total current

assets amounted to NOK 2.538 billion, against a short-term liability of NOK 1.929 billion. The (short-term) debt ratio is reduced to 0.76 from 0.78, which is satisfactory. The organisation has no long-term debt and although there are large variations during a year, organisational liquidity is good. Surplus liquidity is invested in money market and bond funds, not in the stock market.

In terms of income, the volume from 2020 to 2021 grew in many parts of the organisation. The relative share of income continued to shift from the Middle East region, with a high growth in the East Africa and Yemen region, as well as growth in the Asia, Europe and Latin America region. NORCAP saw a growth of 10 per cent in 2021.

NRC continued to receive substantial support from almost all major global institutional donors and managed to diversify its donor base even further. The Norwegian Ministry of Foreign Affairs (NMFA) (18 per cent), European Civil Protection and Humanitarian Aid Operations (ECHO) (13 per cent), UNHCR (9 per cent) and the Swedish International Development Cooperation Agency (Sida) (8 per cent) remained NRC's four largest donors and most important strategic partners. The US Bureau for Humanitarian Assistance (BHA, formerly OFDA) (5 per cent) became NRC's fifth largest donor followed by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) (also 5 per cent). Funding from UK's Foreign, Commonwealth & Development Office (FCDO) decreased to 4 per cent. Funding from US and German donors, and donors with a development focus, continued to grow in 2021.



The continued effects of the Covid-19 pandemic did not negatively impact the Annual Activity Accounts for 2021, nor the asset values. NRC has currently not seen any reductions in the expected level of institutional donor funding for 2022 and is maintaining its budgets on the same level as in 2021. The developments in Ukraine and Eastern Europe have spurred a large fundraising effort both from institutional and private donors. The full impact of this crisis is still to be seen. NRC is setting up a new regional set-up to handle these events, and the structure and related costs for this are still being finalised.

NRC expects that it will become more challenging to mobilise additional institutional funding from governments due to reductions or increasing pressure on aid budgets due to a high number of humanitarian emergencies. The challenges to implementation of activities in 2021 have mainly related to access limitations, lockdowns, curfews and travel restrictions, many as a result of the pandemic. In 2021, NRC budgets were positively affected by the volatility and changes in the exchange rate of NOK versus USD, EUR and other currencies. NRC receives only about 25 per cent of its income in NOK and the rest in other major currencies like USD, EUR, GBP, SEK and CHF, while it has major parts of its head office administration costs tied to the NOK.

NORCAP

In 2021, NORCAP exceeded its budget, reaching a total annual expenditure of more than NOK 505 million. NORCAP has a four-year strategic partnership agreement with the Norwegian Ministry of Foreign Affairs (NMFA) for 2020–2023, totalling NOK 130 million per year (increasing to NOK 143 million per year from 2022). NORCAP has secured a four-year agreement (2021–2024) for its programme on human rights, democracy and peace (NORDEM), totalling on average NOK 114 million per year. NORCAP continues to diversify its donors and partners, with projects funded by NMFA, Norad, ECHO, European Commission Directorate-General for International Partnerships (DG INTPA), USAID's Bureau for Humanitarian Assistance (BHA), US State Department's Bureau of Population, Refugees, and Migration (PRM), European Economic Area (EEA) Grants, Swiss Agency for Development and Cooperation (SDC), German Federal Foreign Office (FFO), Sida, and the UK's Foreign, Commonwealth and Development Office. It also receives funding from various UN agencies including the UN Office for the Coordination of Humanitarian Affairs (OCHA), UN Children's Fund (UNICEF), International Organization for Migration (IOM), UN Population Fund (UNFPA), UN High Commissioner for Refugees (UNHCR) and World Food Programme (WFP), among others. NORCAP continued to fundraise for priority areas such as cash, climate services and the green shift, democracy and human rights, support to peace processes, protection, gender-based violence, and education.

Private sector fundraising

Donations from private individuals and organisations are a crucial source of flexible funding and resources for NRC. In 2021, NRC conducted fundraising activities towards the public in Norway, Sweden, and Germany, and engaged in corporate partnerships

globally. Private sector fundraising generated a total of NOK 269 million in revenue, compared to NOK 251 million in 2020.

Of this, NOK 96 million came from corporate partnerships, NOK 27 million was financial donations from foundations and philanthropists and NOK 69 million was provided to NRC in the form of pro bono partnerships. Funds from the private sector are flexible resources which enable innovation and change, such as NRC's Digital Community Hubs, NRC's Greening the Orange programme, an education project in Colombia, and an expansion of the Better Learning Programme.

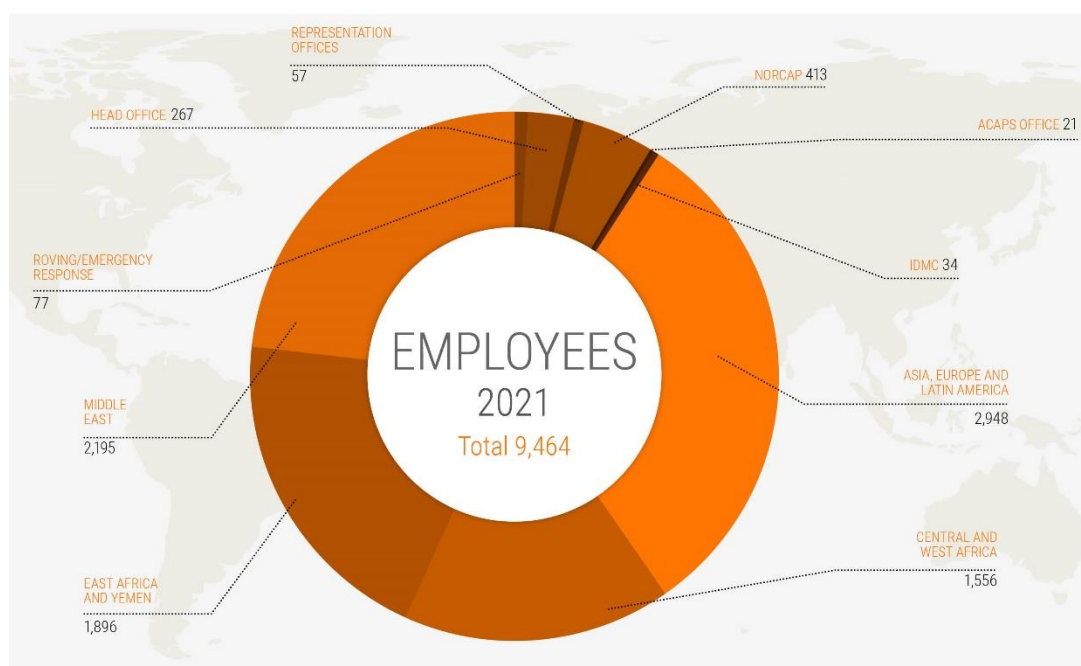
Most of the remaining income came from individual regular donors. These are donors with direct debit agreements who give a donation each month to NRC. Covid-19 continued to impact NRC's ability to recruit these donors through face-to-face fundraising. However, by the end of 2021, NRC had 64,732 individual regular donors, which is an increase of 35 per cent from 2020.

Public engagement is critical to telling the story of NRC and the people served through NRC programmes to a wider global audience. In 2021, NRC expanded its digital circulation, hitting 1 million followers across NRC social media platforms for the first time and reaching 16.5 million readers with digital content.

Human resources

NRC's Human Resources (HR) policy aims 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 2021, some 15,400 people worked for or with NRC to deliver humanitarian assistance. Of these, 9,464 were employees, including 7,400 national staff, and 6,000 were incentive, daily or other types of workers, typically displaced people or members of the local community. A breakdown of regular employees by region/office is presented in the chart on the next page.



Data per 31 December 2021. Excludes incentive, daily and other types of workers.

Nationality, gender distribution and immigrant backgrounds

NRC's 605 employees on international contracts represented 83 different nationalities in 2021. The largest groups were employees from Kenya, followed by France, Italy and United Kingdom. Of the employees at the head office in Oslo, 29 per cent had non-Norwegian citizenship, while 16 per cent of staff were not registered with nationality data.

The gender distribution at the head office in Oslo was 57 per cent women, 36 per cent men and 7 per cent undisclosed gender at the end of 2021. The managers at head office comprised 59 per cent women and 41 per cent men. Gender distribution among senior management at head office was 58 per cent women and 42 per cent men, and on the NRC Board, there were five men and six 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, the gender distribution among international staff was 53 per cent male, 43 per cent female and 4 per cent undisclosed gender. Among national staff, there were approximately 58 per cent men, 37 per cent women and 5 per cent undisclosed gender.

At the representation offices, the national staff gender distribution was 28 per cent male, 59 per cent female and 13 per cent undisclosed gender. Within expert deployments, the gender distribution among experts deployed was 50/50 men and women, if not taking into account undisclosed gender. In IDMC, the gender distribution was 62 per cent women, 26 per cent men and 12 per cent undisclosed gender.

One of NRC's strategic objectives for 2018–2021 was to strive for gender balance at all levels of management. At the country and regional office level, NRC struggles to secure a good gender balance in some senior positions. In 2018, a female staff survey was conducted to collect more data and get a better overview of key improvement areas. Findings from the survey were used to develop specific targets and required actions on gender, which have now been included in the country offices' annual plans. In recent years, there has been a positive trend when it comes to the proportion of female staff in management positions at country level, especially among country directors. By the end of 2021, 55 per cent of country directors were female, compared to 19 per cent in 2017.

In 2022, NRC will continue the work to improve its recruitment practices to ensure that more women are recruited to country and regional offices.

Equality and non-discrimination

Gender balance – head office staff							
Overall gender balance		Temporary staff		Parental leave (average weeks)		Part-time positions	
Women	Men	Women	Men	Women	Men	Women	Men
196	105	39	16	26	28	9	2

NRC's HR policy has a strong focus on promoting equality and preventing discrimination, harassment, sexual harassment and gender-based violence. The Code of Conduct establishes NRC's commitment to non-discrimination, equal opportunity, fair employment, courtesy, dignity and respect for different customs and cultures.

The NRC's Ambition 2030 states that:

“Our staff are our greatest asset. We take all reasonable steps to protect our people from harm and ensure their health, safety, and security, in line with our duty of care. We value and promote competency, diversity, and equity at all levels in the organisation, and aim for our staff to reflect the population in the contexts where we work. We have zero tolerance for abuse, harassment, and discrimination. We invest in the wellbeing, learning and development of our staff and leadership. We foster a strong organisational culture based on our common values of dedication, inclusion, innovation, and accountability.”

In 2020, NRC conducted a global Diversity, Equity and Inclusion (DEI) baseline study, which mapped its DEI efforts through a review of its policies, employee interviews, and benchmark interviews with peer organisations in the humanitarian sector. Findings from the baseline study were used to develop specific targets, policies and required actions on DEI for the NRC Global Strategy 2022–2025. In 2021, NRC included specific questions linked to DEI in its Global Staff Survey. The results came out as

positive overall, with DEI being an area where NRC scored higher than its peers (benchmark organisations).

NRC will continue to strengthen its efforts to ensure diversity, equity and inclusion among employees. Upcoming activities include, among others: revision of NRC's whistleblowing mechanism, recruitment training for line managers and HR staff, and the integration of diversity into the 360-assessment tool for leaders and the newly developed Leadership Journey. Inclusion has been established as a global distributed goal for all staff in the new NRC performance management process. The organisation is aiming to deliver a new leadership programme for talented female staff at field level (mentoring and training into leadership) and to develop basic online DEI training courses for all staff.

Further details on the status of NRC's equality and non-discrimination work at Head Office can be found in a [separate report](#).

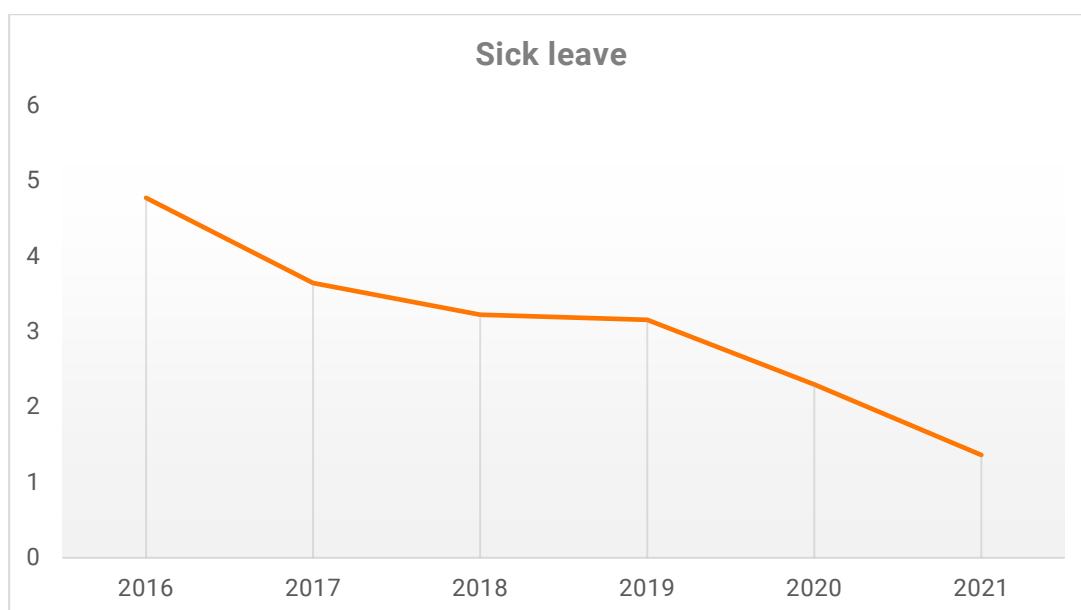
Duty of care

Duty of care has been well established within NRC for several years and integrated into its operations. The main focus in 2021 has been to maintain a focus on duty of care and to provide mitigation measures related to the ongoing Covid-19 pandemic. This includes ensuring the safety and wellbeing of NRC staff, particularly where the medical risk has increased, with an overall goal of business continuity. NRC has worked to reduce the risk to staff in countries like Afghanistan, Ethiopia and Myanmar, where ongoing crises affect NRC operations and staff wellbeing. NRC continues to grow and change, and the organisation will review the duty of care minimum standards and the role mandates linked to it in 2022.

Sick leave

In 2021, the sick leave rate at the head office in Oslo was 1.365 per cent, compared to 2.30 per cent in 2020.

NRC followed up on the commitments set out in the Norwegian government's Letter of Intent regarding a more inclusive working life (the IA Agreement) to facilitate an inclusive work environment for its staff.



Health, safety and security (HSS)

In 2021, there were key changes to NRC's HSS staff, including the Global HSS Director, Global Head of HSS Training, regional HSS managers for CWA and MERO, and roving HSS managers. Despite staffing changes and the continued impact of the pandemic, HSS compliance reporting on health, safety and security issues remained steady during 2021. NRC maintained a green compliance score across all regions of 85 per cent throughout the year. Compliance with training standards was in focus for HSS in 2021. The first Hostile Environment Awareness Training (HEAT) training in Latin America was delivered in Panama, and NRC conducted Crisis Management Training remotely with new digital tools. During 2021, NRC delivered training to 3,761 staff. Key trainings included HEAT, Hostile Environment Individual Security Training (HEIST), Training of Trainers, First Aid and Crisis Management Training.

Incidents

In total, NRC registered 513 HSS incidents in 2021. This constitutes a decrease of approximately 7.5 per cent compared to 2020. The majority of events remain crime-related, with theft, assault and harassment being among the major concerns. A new incident reporting system (NRC Protect) was launched in 2020. In 2021, data protection issues were discovered and the use of the Protect system was suspended from October onwards. This resulted in a reduced level of incident reporting for the end of year period. NRC Protect was restarted with improved information security measures and with further enhancements planned for 2022.

HSS will continue to work to reduce the occurrence of road traffic accidents in 2022. While NRC registered a slight increase in road traffic accidents, with 62 accidents reported in 2021 compared to 61 in 2020, the accidents continue to include critical incidents with fatalities involved. In 2022, HSS will increase attention to safety, with a Fire Safety Framework under development.

Risk management

NRC's Governance, Risk and Compliance (GRC) function continued to develop throughout 2021. By the end of the year, all regional offices and 20 country offices had dedicated risk and compliance staff, in addition to the NORCAP and External Relations departments at head office. Investigation capacity was also strengthened at regional level, with one investigation specialist in each regional office to support and provide oversight on investigations at country offices.

NRC continued to develop and improve its risk management framework by streamlining the risk identification and assessment activities for all risk categories at field level and improving the use of risk registers. Monitoring has been improved by giving more attention to the effectiveness of mitigation measures for key risks.

A risk escalation procedure was developed to improve organisational oversight of key risks and to ensure decisions related to a risk are signed off at the right level of authority, in accordance with the level of organisational risk involved.

NRC managed a range of risks in 2021. The risk of exposing the people NRC serves to further harm, the risk of disclosing confidential information, the risk of breaching sanctions law, and the risk to staff safety and security continued to be assessed as high at the global level and requiring specific attention. Therefore, NRC focused on identifying and improving mitigation measures to manage these risks throughout the year – work that will continue in 2022.

The risk of suspension of operations in one or several country operations due to national governments' agendas was identified as a new risk to monitor at global level. Re-assessment and identification of mitigation measures are planned for 2022.

Environmental impact

The climate and environment crisis is the defining challenge of the current generation. As an organisation working with people in the world's most vulnerable contexts, NRC observes first-hand that those who have contributed least to the climate and environment crisis are also those most affected by the consequences.

In 2021, with support from the Grieg Foundation, NRC continued the project known as Greening the Orange, which aimed to establish a baseline of NRC's emissions, develop

a strategy for a green shift in the organisation, and seek to influence the wider humanitarian sector.

As part of NRC's Global Strategy process, a Climate and Environment Strategy 2030 was developed, focusing on strengthening NRC's response in the following areas:

- Climate adaptation: support strengthening the resilience of people affected by displacement to withstand shocks and stresses resulting from climate change and environmental degradation
- Access to clean energy: facilitate access to clean and sustainable energy for displacement-affected populations
- Reduced environmental footprint: reduce negative impacts on the environment as a result of NRC's programmes, improve waste management, and reduce NRC's carbon footprint

The strategy will be implemented from 2022 onwards. Linked to the strategy process, NRC also signed the Climate and Environment Charter for Humanitarian Organisations, which entails a commitment to work on climate adaptation and mitigation, including through setting public time-bound targets for emissions reductions.

Boston Consulting Group (BCG) generously partnered with NRC to further develop the organisation's baseline of its carbon footprint and models for reducing the environmental impact of its operations. The new baseline established that a large proportion of NRC's carbon footprint is a result of construction works delivered as part of its programmes. NRC will prioritise immediate action to reduce its carbon footprint without impacting its ability to deliver high quality programmes for the communities it serves. Efforts in 2022 will include a reduction in flights and an increase in the energy efficiency of NRC's facilities. NRC will also develop approaches to make its fleet and procurement more efficient and sustainable.

NRC also initiated work to establish environmental minimum standards for its programmes. These were developed for shelter and settlements, water, sanitation and hygiene (WASH), livelihood and food security, and emergency response. The focus in 2022 will be on supporting the implementation of these standards.

Beyond the globally led initiatives, an increasing number of innovative projects focused on improving environmental performance are being developed at the field level. These range from efforts to turn plastic waste into shelter materials in Bangladesh, to replanting deforested areas and providing environmental education in Burkina Faso, to giving refugees the chance to monitor their energy usage in Jordan. The development of NRC's programmes under the Climate and Environment Strategy 2030 will encourage and support such context-relevant innovative responses to climate change and environmental degradation.

NRC continues to contribute to the greening of the humanitarian sector through NORCAP, which provides technical energy expertise to the whole sector.

In 2021, NORCAP's clean energy experts worked with key humanitarian agencies to green their operations, increase energy access for refugees and other at-risk populations, and strengthen collaboration and coordination within the sector by supporting the Global Platform for Action on Sustainable Energy in Displacement Settings.

NORCAP continues to be at the forefront of clean energy and greening in humanitarian and displacement settings, and strengthened its work through targeted events, workshops and approaches:

- NORCAP strengthened its knowledge products by developing reports on innovative finance, how to handle electronic waste from solar products, and how to reach refugees in urban settings with energy. Blended finance was the topic of a breakfast seminar in Oslo in November 2021, leading to high-level dialogues on the topic that will be taken forward in 2022.
- NORCAP's partners are reporting great results from the Female Accelerator Programme, which continued in 2021 and is increasing the number of women ready to work as energy experts in the humanitarian sector. The team is looking to duplicate the experience with a focus on the Sahel region in late 2022.

In 2021, NORCAP worked closely with the Greening the Orange team to set up commitments towards NRC's new greening strategy and mobilise funding from Sida and ECHO to implement the strategy.

NORCAP joined forces with the CWA regional office and secured funding from the German FFO for three years. The aim is to learn from the modality of having roving missions to map energy needs, in order to plan for a transition to clean energy.

NORCAP continued to increase the understanding of the greening needs in the humanitarian sector by initiating a sustainable settlement project with the Global Shelter Cluster. Under this umbrella, NORCAP supported UNHCR with four global roving staff at the coordination level, and IOM with one global roving expert on housing, land and property.

NORCAP worked with the UN Resident Coordinator/Humanitarian Coordinator, the Humanitarian Country Team and UN-Habitat on the recovery framework for Lebanon and Syria to address environmental issues and clean energy in urban areas.

NRC Board

The following people constituted the Board in 2021:

- Harald Norvik (Chairman of the Board)
- Hege Marie Norheim (Deputy Chair)
- Kiran Aziz
- Josephine Goube
- Walter Kälin
- Sturla Stålsett
- Claus Sørensen
- Amira Malik Miller
- Anne Huser (Board member elected by staff, until December 2021)
- Eirik Christophersen (Deputy Board member elected by staff, from December 2021)
- Sofia Janjua (Board member elected by staff)
- Muktar Adan Abdi (Board member elected by staff)

The Board conducted five regular Board meetings, one extraordinary Board meeting, and two Board seminars, discussing 67 agenda items throughout the year.

The Board Audit and Risk Committee met four times in 2021. The Committee assists the Board and management by providing independent oversight, advice and guidance on the adequacy of the organisation's:

- risk management
- internal controls and frameworks for compliance and safeguarding
- internal audit activity, external auditors, and other providers of assurance
- financial statements and public accountability reporting

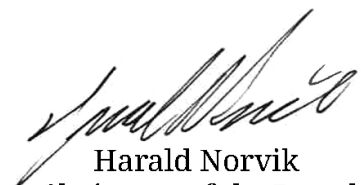
Board meetings and seminars in 2021 focused on, among other issues, Covid-19 and NRC's response to emerging crises, organisational development, strategic direction, and NRC's response to the climate and environment crisis. The Board evaluation in 2021 confirmed that the relationship between the Board and the administration is good and constructive.

The Board confirms that the conditions for continued operations are fulfilled.


The Board thanks NRC's employees for their dedication and hard work throughout another year heavily impacted by the Covid-19 pandemic and looks forward to continued cooperation in 2022.

The Board and the Secretary General's responsibilities for the governance of NRC is covered by liability insurance through If P&C Insurance Ltd. The insurance covers the insureds liability for pure financial loss in the capacity of directors and officers that may incur anywhere in the world according to the Norwegian act of foundations.

Geneva, 9 May 2022



Harald Norvik
Chairman of the Board



Jan Egeland
Secretary General



Hege Norheim
Deputy Chair



Walter Kälin
Board member



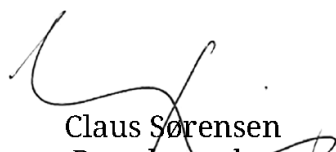
Kiran Aziz
Board member



Sturla Stålsett
Board member



Joséphine Goube
Board member



Claus Sørensen
Board member



Amira Malik Miller
Board member



Sofia Janjua
*Board member
elected by staff*



Anthony Nichols
*Board member
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Muktar Adan Abdi
*Board member
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