

Annual report for 2022 from the Board of Directors of Strømme Foundation

Strømmestiftelsen (SF) is a rights-based development NGO, established in 1976 in Kristiansand by Chaplain Olav Kristian Strømme. SF aligns its efforts to the *UN Sustainable Development Goal 1 of eradicating extreme poverty and halving relative poverty by 2030* and works towards a vision of a world free from poverty. Our values are human dignity, justice, and solidarity. Our most important interventions in the fight against poverty are education, job creation and strengthening of civil society. From its inception, SF has continued to follow the Christian values of its founder.

Today, SF has grown into a professional organisation that has a framework agreement with NORAD and spends over NOK 200 million annually to help the world's poor. As a rights-based NGO, Strømme Foundation provides the tools and training needed to lift people out of poverty with dignity and respect. SF works in the world's most marginalized communities regardless of ethnic group, religion, nationality, or political affiliation.

Strømme Foundation has its head office in Norway (Kristiansand) and three regional offices in West Africa (Mali), East Africa (Uganda) and Asia (Sri Lanka). In addition, there are six country offices in South Sudan, Bangladesh, Nepal, Myanmar, Burkina Faso, and Niger.

Board activities 2022

The Board of Directors has held four ordinary meetings in 2022. The board has dealt with a total of 46 cases.

In 2022, the Board of Directors consisted of the following members:

Arvid Grundekjøn (Chairperson of the Board), Kristin Tofte Andresen (Deputy Chairperson of the Board), Vidar Haukeland, Adelheid Firing Hvambdal, Knut Arild Hareide, Carol Azungi Dralega and Anne Breivik (staff representative).

2022 Board Deputies:

Arvid Hestås, Arnhild Leer-Helgesen and Tørres Gilje (deputy staff representative).

Board Insurance:

Insurance has been registered for the board members and the Secretary General to protect them from possible personal liability for the organisation. The insurance applies worldwide, except in the United States and Canada.

Strategy 2019-2023

2022 was the fourth year of Strømme Foundation's current Strategic Plan (2019-2023). With a mission to eradicate poverty, SF works in four ways to achieve the best results:

1. Enhancing the quality of our programmes to address the root causes of poverty.



2. Influencing public opinion and government policy by raising awareness on the issues of global poverty and injustice.
3. Making available long-term funds and resources for our programme operations.
4. Running an efficient and effective organization.

In our programmes, the focus of the current strategy is to work through local implementing partners to attain three thematic goals:

1. Strengthen civil society and the public sector.
2. Ensure inclusive quality education for disadvantaged groups.
3. Improve livelihoods for the rural poor through enhanced income generation.

The main objective of the strategic plan is to strengthen the organisation's ability to permanently lift people out of poverty (SDG 1). SF aligns its work thematically with the following three Sustainable Development Goals (SDGs): SDG 4 (Quality Education); SDG 5 (Gender Equality); and SDG 8 (Decent work and economic growth). SF sees innovation and intersectoral cooperation as prerequisites for economic growth and development and thus aims to promote more innovation in our programmes, operations, and fundraising efforts. We also seek to strengthen our collaboration with others (cf. SDG 17) as we cannot attain our ambitious vision alone.

Our cross-cutting issues (Gender Equality, Environment and Climate Change, Inclusion and Anti-Corruption) are reflected in all our programmes.

Our target groups are primarily women, children and young people, and people who live in poverty and who do not have their rights met. Based on our values, our goal is to ensure that "no one is left behind", as advocated by the UN Sustainable Development Goals. SF, therefore, strives to reach persons with disabilities, ethnic minorities, and other marginalised groups through our programmes.

Strømme Foundation has a decentralised organisational structure and programmes are implemented through local partner organisations. This ensures that decisions on how to best combat poverty are always anchored in the local context. In our experience, this contributes to better and more sustainable results. We work to make individuals and communities (rights holders) aware of their rights and provide them with the means to claim these rights from local authorities (duty bearers). This is done, among other things, by identifying and utilising the potential and strengths inherent in local communities.

To remain a successful development organisation, we regularly monitor, analyse, and evaluate the results of our work. Strømme Foundation is continuously developing its methods for planning and implementation as we aim to be a learning organization at all levels.

Programme activities

While COVID-19 related restrictions were finally lifted across SF intervention countries, 2022 proved to be another challenging year for target communities. The economic impact of the global pandemic on local communities was exacerbated by the cost-of-living crisis caused by the war in Ukraine. At the same time, extreme weather events and the impact of climate change wreaked havoc on crops and harvests in many countries, affecting household food security. Political instability and insecurity

continued in the Sahel region, South Sudan, and Myanmar. Burkina Faso experienced two military coups in only nine months, while in Myanmar the military junta solidified their grip on power. High levels of inflation and exchange rate fluctuations also meant that SF had to make some adjustments to programme implementation.

Despite this challenging context, the 2022 results for SF's programmes are pointing towards recovery. Poverty is decreasing, children are returning to school to catch up on lost learning and newly established community structures are leading the way in locally led development processes. Supported by SF's local partners, communities are strengthening their ability to deal with shocks.

Establishing sustainable structures that empower communities to claim their rights is central to SF's efforts to build a strong civil society. In 2022, 1,600 community mechanisms successfully achieved an advocated issue across the three regions. In Bangladesh, 159 families that previously lived in temporary or traditional shelters, were able to access government-funded housing through the support of their community-based organisations (CBOs).

Access to quality and inclusive education is important for community empowerment. In West Africa, SF's Speed School programme provides out-of-school children with a second chance. Despite the challenging security context in West Africa, 17,246 children (49% girls) enrolled in 632 Speed School centres in 2022 and an impressive 97% transferred to host primary schools upon completion.

To strengthen women's economic empowerment and ability to play an active part in their communities, 3,655 Community-Managed Savings Groups (CMSGs) have been established with 97,540 members (89% female). CMSGs help promote female leadership. In 2022, in East Africa, 1,377 women held active leadership positions in their group, while 90% of women members of CMSGs became more involved in household decision-making.

Financial figures

Total revenue for 2022 ended at MNOK 229.5 compared to MNOK 240.3 in 2021.

Revenue from the public sector in Norway was slightly reduced to MNOK 130.9 in 2022 compared to MNOK 132.1 in 2021, mainly due to some projects closing in 2021 and less access to new public sector grants in 2022.

Public grants from abroad were MNOK 18.5 in 2022, compared to MNOK 23.1 in 2021. This is mainly because of a major EU project in Mali ending in 2021.

Revenue from private donors was MNOK 48.9 in 2022 compared to MNOK 52.3 in 2021, given that legacy gifts and individual donations decreased, while fixed donations slightly increased.

Revenue from the corporate sector was MNOK 21.9 in 2022, compared to MNOK 17.7 in 2021. Grants from other organisations decreased to MNOK 8.9 in 2022, compared to MNOK 9.9 in 2021.

Costs for purpose activities were MNOK 221.6 in 2022, compared to MNOK 214.0 in 2021.

The annual result shows a deficit of MNOK 20.7 compared to a profit of MNOK 4.8 in 2021.

Consolidated accounts



The consolidated accounts for SF and our microfinance group ended with a deficit of MNOK 23.7, compared to a loss of MNOK 6.2 in 2021.

The total equity decreased from MNOK 246.6 MNOK in 2021 to MNOK 217.2 in 2022. The cash flow from the operational activities is satisfactory; total liquid assets at the end of the financial year were MNOK 166.2 compared to MNOK 188.7 MNOK in 2021.

The balance of liquid assets excludes Strømme Micro Finance AS (SMF AS) which has been consolidated according to the equity method. Liquid assets in the SMF group are MNOK 35.5, compared to MNOK 38.0 in 2021.

Key figures for Strømme Foundation's percentage share of total costs for 2022 are as follows:

Administration 3.4 % (3.4 % in 2021)

Acquisition 9.0 % (6.8 % in 2021)

Purpose 87.6 % (89.8 % in 2021)

In addition, the Norwegian Control Committee for Fundraising has introduced a measure for the share of the private funds income that are utilised for the organisation's purpose, and this amounts to 70.6 % (80.0 % in 2021).

Working environment and employees

In 2022, SF conducted different activities and processes with the intention of strengthening our focus on "One organisation".

We have established global meeting structures for the Leadership group, Human Resources (HR), Administration, ICT and Finance. The goal of this structure is to share information, agree on common targets and align the processes carried out in all regions.

HR and ICT also arranged a Global workshop in Kristiansand in May 2022. The result of this workshop was the development of a new Global HR policy, and strategic global plans for these departments. SF staff have been very pleased to receive the same benefits and services all over.

Leadership decided to bring together regional budgets for capacity building under one budget and gave the Global HR group the mandate to manage these resources. This gives all employees the same opportunity to apply for funds to build their competence, and the possibility to organise global trainings.

The working environment in SF is perceived as good. In 2022, we carried out a global Employee Survey and compared it with the one carried out in 2020.

Like other workplaces, SF is required by law to outline how gender equality, inclusion and diversity are addressed. SF was recertified as a "Likestilt arbeidsplass" by Likestilt Arbeidsliv in Agder in November 2021. Even though this is a Norwegian certification and evaluates our standards in the Kristiansand office, we have been focusing on gender equality and inclusion through a global

perspective. The new global HR policy introduced common practices for paternity leave, welfare leave and work flexibility. The next step in this work is to structure the salary level so it is based on fixed criteria and not on gender. Considering the reporting duty for employers on gender equality (ARP), the report can be found on SF's website.

By the end of 2022, there were three men and four women on the Board. Subsequent information about employees includes the SMF AS group (consolidated). Among the employees in Kristiansand, there were 18 women and 17 men (compared to 17 and 17 in 2021). The number of full-time equivalent persons in Norway went up from 31.0 in 2021 to 31.5 in 2022. Abroad, there were 37 women and 74 men (compared to 37 and 73 in 2021). Overall, there were 55 women and 91 men (compared to 54 and 90 in 2021) employed in the organisation. The leadership team, which includes department directors in Kristiansand and regional directors, consisted of four men and five women by the end of 2022. SF strives for gender equality at all levels and is conscious of this during recruitment of new staff.

In 2022, the Kristiansand office had a total absence rate due to sickness of 5.63% (1.33 % in 2021).

The Kristiansand office has an agreement for occupational health services with Falck BHT. In the autumn of 2022, a medical check-up for all employees in Kristiansand was carried out.

There were no serious work accidents at the Kristiansand office that have resulted in material destruction or personal injury during the year.

Risk assessments

The Board continuously monitors SF's risks through quarterly reports. In 2022, the focus has been on monitoring the combined consequences of the pandemic and Russia's war on Ukraine, which have resulted in higher inflation rates, civil unrest, and brought more uncertainty into our countries of operation. SF has established strong systems and controls to mitigate fraud and corruption and has maintained a good dialogue with donors upon suspicion of corruption. The digitalisation of reporting through new tools has facilitated the overview and management of the programme portfolio.

The security situation has remained challenging in Myanmar, Burkina Faso, Mali, Niger, and South Sudan in 2022. South-Sudan is still the most dangerous country in the world for development aid workers, with the number of fatalities higher than for war affected countries like Syria and Afghanistan. Crime, murder, conflict between different groups of the population, and traffic accidents are some of the reasons that make South Sudan a dangerous country to work in. Political instability and insecurity also characterise the Sahel region. Burkina Faso suffered another military coup in 2022 with large parts of the population displaced and schools closed following attacks from armed non-state groups.

SF has implemented mitigation measures to improve the security situation for our employees and in our programmes. These measures include better planning of travels and sharing of vital information with other NGOs. The Regional Office in West Africa has a good overview of the security situation in all three countries and has comprehensive security plans in place. They also remain in close dialogue

with the Norwegian Embassy in Bamako and other NGOs through the International NGO Safety Organisation (INSO).

Most of SF's costs are incurred in currencies linked to the US dollar or the Euro, while the largest share of the revenue is in Norwegian kroner. Therefore, exchange rates play a significant role in what SF can deliver to its implementing partners in the South. However, the terms of SF's contract agreements with its partners stipulate that the obligations are limited to the budget adopted in Norwegian kroner. SF enters forward exchange contracts to secure parts of the exchange rate between the Norwegian kroner and the US dollar or Euro.

SF has no external loans, so there are no serious consequences for the organisation if interest rates increase significantly.

Microfinance activities are undergoing liquidation but are still exposed to both financial and societal risks. Based on follow-up systems in the company's portfolio, the board believes that the risk has been reduced to an acceptable and controllable level.

Future perspective

Strømme Foundation's vision is a world without poverty. Our mission is to fulfil the Sustainable Development Goal 1 – To end poverty in all its forms everywhere, and by 2030, eradicate extreme poverty. SF continues its efforts to strengthen marginalised communities so that they can escape poverty.

SF's countries of operation were hard hit by the pandemic. Lockdown measures, particularly those affecting schools, have resulted in more people falling into poverty. The war in Ukraine, which broke out in the spring of 2022, has exacerbated many of these existing challenges. The war has resulted in a rise in various commodity prices. At the same time, several countries, including Norway, have reprioritised aid funding from poverty alleviation to combat the crisis in Ukraine and the reception and settlement of Ukrainian refugees. This means that it has become more challenging to achieve the UN Sustainable Development Goals.

SF's intervention countries are characterised by political instability and a deteriorating security situation. Non-state actors continue to face increasing restrictions on their activities in some of the areas where SF works.

Within the organisation, 2022 has been characterized by the process of developing a new strategic plan. When formulating a new strategy, it is necessary to consider the major developments we are seeing globally. Promoting social justice and ending poverty requires a just transformation to a sustainable future. We want to contribute to a green economy that is socially inclusive, low-carbon and resource efficient.

SF will continue to fight poverty through education and job creation. We will do so by supporting the most marginalised through a decentralised structure and working through local partners. At the same time, we will increasingly operate in a space between humanitarian aid and long-term development work.

SF aims to strengthen its strategic partnerships, particularly with new actors from the private sector in both Norway and internationally. If the world is to achieve its goals of eradicating extreme poverty and cutting greenhouse gas emissions, more green jobs are needed. Green job creation will therefore be a priority area for SF in the years to come.

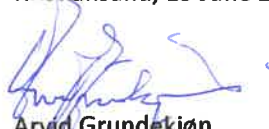
The Board of Directors believes that SF has activities and international programmes that are suitable for further operations. The Board believes that Strømme Foundation is in a good position to respond to changes in global and national contexts, and to changes in the institutional and private donor market.

Allocation of the year's result

From SF's total deficit of MNOK 20.7, MNOK 0.3 has been allocated to purpose capital for programme activities and MNOK 20.4 to other purpose capital. Further, MNOK 61.5 has been transferred from purpose capital in microfinance and redistributed by MNOK 33.4 to purpose capital for programme activities and MNOK 28.1 to other purpose capital.

In addition to SF's result, the SMF AS group had a consolidated deficit of MNOK 3.1, which is reducing the purpose capital for microfinance.

Kristiansand, 15 June 2023




Arvid Grundekjøn
Chairperson




Kristin Tofte Andresen
Board member



Knut Arild Hareide (Jun 21, 2023 11:31 GMT+2)
Knut Arild Hareide
Board Member



Vidar Haukeland (Jun 21, 2023 10:47 GMT+2)
Vidar Haukeland
Board member



Ole Morten Stavland
Board member



Adelheid Firing Hvambdal
Board member



Carol Azungi Dralega (Jun 19, 2023 14:27 GMT+2)
Carol Azungi Dralega
Board member



Erik Lunde
Erik Lunde
Secretary General












Annual report 2022


Final Audit Report

2023-06-21

Created:	2023-06-19
By:	Amalie Gunnufsen (amalie.gunnufsen@stromme.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAABSFZJ64g3X7Q19XX0S8Gbl_zSrucNdJV

"Annual report 2022" History

-  Document created by Amalie Gunnufsen (amalie.gunnufsen@stromme.org)
2023-06-19 - 12:17:33 PM GMT
-  Document emailed to carol.dralega@nla.no for signature
2023-06-19 - 12:19:04 PM GMT
-  Email viewed by carol.dralega@nla.no
2023-06-19 - 12:23:12 PM GMT
-  Signer carol.dralega@nla.no entered name at signing as Carol Azungi Dralega
2023-06-19 - 12:27:04 PM GMT
-  Document e-signed by Carol Azungi Dralega (carol.dralega@nla.no)
Signature Date: 2023-06-19 - 12:27:06 PM GMT - Time Source: server
-  Document emailed to vidar.haukeland@lovisenberg.no for signature
2023-06-19 - 12:27:07 PM GMT
-  Email viewed by vidar.haukeland@lovisenberg.no
2023-06-21 - 8:46:39 AM GMT
-  Signer vidar.haukeland@lovisenberg.no entered name at signing as Vidar Haukeland
2023-06-21 - 8:47:01 AM GMT
-  Document e-signed by Vidar Haukeland (vidar.haukeland@lovisenberg.no)
Signature Date: 2023-06-21 - 8:47:03 AM GMT - Time Source: server
-  Document emailed to khar@sdir.no for signature
2023-06-21 - 8:47:04 AM GMT
-  Email viewed by khar@sdir.no
2023-06-21 - 9:29:21 AM GMT

 Signer khar@sdir.no entered name at signing as Knut Arild Hareide

2023-06-21 - 9:31:19 AM GMT

 Document e-signed by Knut Arild Hareide (khar@sdir.no)

Signature Date: 2023-06-21 - 9:31:21 AM GMT - Time Source: server

 Agreement completed.

2023-06-21 - 9:31:21 AM GMT