

Annual Report 2011

The Norwegian Refugee Council is Norway's largest international humanitarian organisation. NRC also has a central position in international aid work targeting refugees and internally displaced persons.

The Norwegian Refugee Council's mandate

The mandate stipulates that the Norwegian Refugee Council "shall promote and protect the rights of all people who have been forced to flee their countries, or their homes within their countries, regardless of their race, religion, nationality or political convictions." The mandate of the NRC was changed in 2012 and the above quote is from the mandate the organisation operated under in 2011.

Unprecedented high levels of activity

The three pillars of NRC's work are programme activities, emergency standby rosters, and advocacy. In 2011, NRC's turnover was NOK 1.22 billion, and the level of activity was the highest ever in the history of the organisation. Foreign donors contributed as much as 50% of the total turnover, Norwegian government agencies (the Ministry of Foreign Affairs and Norad) contributed 45%, and the remaining 5% was primarily from private donors.

Programme activities

The NRC has five core competency areas. In 2011, the construction of homes, schools and infrastructure represented the largest programme activity when measured by cost, totalling 38% of programme costs. Information, advising and legal assistance followed at 21%; which in turn was followed by education (19%); distribution of food and aid (15%); and camp operation (5%).

In 2011, NRC provided aid in 22 countries: Burundi, Ivory Coast, Democratic Republic of Congo, Kenya, Somalia, Ethiopia, Liberia, South Sudan, Uganda, Zimbabwe, Afghanistan, Pakistan, Myanmar, Philippines, Sri Lanka, Iraq, Lebanon, the Occupied Palestinian Territories, Colombia, Georgia, Iran and Kyrgyzstan. Additionally, the NRC and the Danish Refugee Council ran a collaborative project in Chechnya.

The activities in the Philippines and in Kyrgyzstan concluded in spring 2011, and the activities in Burundi concluded at the end of 2011/beginning of 2012. Some administrative work will be ongoing in Burundi in 2012. Iran and Ethiopia were established as new programme countries in 2011.

The humanitarian situation for most of the internally displaced persons in the Philippines and in Kyrgyzstan showed a positive development during 2010, and the improvements were more rapid than had previously been feared. NRC therefore concluded that there were sufficient local capacities to provide the necessary assistance to those who remained displaced, and subsequently decided to end its activities in these two countries during spring 2011.

NRC has been present in Burundi since 1998. NRC has been one of the largest international aid organisations in the country, and has assisted several hundred thousand people with e.g. education, housing, legal advice and food security. In 2010, NRC evaluated the situation for refugees and internally displaced people in Burundi, and concluded that the country - in collaboration with the UN and local organisations - would be able to continue the work without the assistance of NRC. The number of internally displaced persons and refugees had reduced significantly in recent years. NRC believes that it has contributed to permanent solutions for refugees and internally displaced people in Burundi in accordance with the initial objectives of the programme, and has therefore concluded the work in accordance with its exit criteria.

An escalation of the conflict in Somalia, combined with a serious drought, led to a dramatic increase in the number of refugees fleeing to neighbouring Ethiopia, and in

particular to the southeastern parts of the country. NRC therefore decided to establish a country office in Ethiopia, and succeeded in getting the necessary registration papers approved within a very short time period. NRC's activities are primarily directed towards Somali refugees in Dolo Ado and predominantly consist of providing support for tents and housing. At the end of the year, it was decided to expand the activities to areas in the north of Ethiopia, where support will be provided to refugees from Eritrea.

In 2010, NRC applied for registration for the start-up of programme activities in Iran. After several delays during the process, approval was received in January 2011. The Tehran office opened in the fourth quarter, and preparations were started for the provision of aid to Afghani refugees in Iran. The plan is for full activity to start in the first quarter of 2012.

During 2011, NRC provided assistance during several large and acute crises. In the Horn of Africa, Somalia, Ethiopia and Kenya were hit by serious drought; Pakistan experienced conflict, floods and internal displacement; in the Ivory Coast conflict resulted in large refugee movements into Liberia; and in Abiey in South Sudan conflict lead to renewed displacements. NRC was able to provide fast and relevant aid in all these humanitarian crises. Emergency aid was primarily provided through food distribution and the distribution of cash and vouchers that enable internally displaced people to purchase their own food, tent or other housing, and emergency equipment. NRC has also succeeded in achieving access to otherwise closed and inaccessible areas, and to reach groups of internally displaced persons who would otherwise not receive any form of aid. This access has been achieved through painstaking work to gain trust, by practising the humanitarian principles, by building good security systems for NRC employees, and by supplying relevant and good emergency aid.

In Yemen, NRC has applied for registration to provide aid to refugees from the Horn of Africa and to those who are internally displaced due to the conflict in North Yemen. Start-up is planned for spring 2012.

NRC increased the scope of its emergency aid work in the Democratic Republic of Congo in terms of economic turnover, geographic reach, and the type of activities provided. NRC has a strong position in the DRC, and is considered a large and significant international aid organisation in the country.

NRC continued to significantly increase its presence in southern Sudan in 2011, both in the lead-up to the 9 January 2011 referendum on the secession of South Sudan and in the aftermath of the creation of the new state. NRC's main focus was on the massive return migration in the aftermath of independence and on new displacements due to the ongoing conflict between the north and the south - in particular in Abiye.

Emergency standby rosters

The mandate for the emergency standby rosters state that they are to support international operations in all stages of a crisis. Additionally, the NORCAP standing roster provides monitoring and alerting, reconstruction, and development of sustainable structures and democracy. NORCAP has a target of always having 850 people with varied occupational backgrounds ready for deployment in international operations at 72 hours' notice. In 2011, the standby rosters had a turnover of NOK 175 million.

In collaboration with the UN and the Norwegian Ministry of Foreign Affairs, NRC has developed a number of special projects beyond NORCAP. ProCap and GenCap comprise specialists on emergency protection and on the integration of gender perspectives in all humanitarian activities, respectively. The Mediation Support Unit (MSU) consists of renowned experts in peace mediation. The Assessment Capacities Project (ACAPS) is a collaboration with the British humanitarian organisations Merlin and HelpAge, and consists of specialists on needs assessments in crises.

The standing rosters' activities in 2011 were characterised by the unrest in the aftermath of the presidential election in the Ivory Coast, the crisis in Libya, the worsening situation in Yemen, the flood in Pakistan, and the famine in the Horn of Africa. NRC also focused

on the situation in South Sudan. Additionally, the standing rosters have maintained their support to Haiti.

In 2011, the standing rosters have increased their support to international operations, and have had about 150 people on deployment at any given time. In total, the standing rosters had 1,989 monthly FTEs in the field in 2011. More than 80% of these were secondments through NORCAP and the remaining 20% were divided among special projects. From 2010 to 2011, the volume of NORCAP's support to international operations increased by 156 monthly FTEs.

The UN is by far NORCAP's largest client, and UNICEF and the UN High Commissioner for Refugees (UNHCR) were the largest recipients of personnel. The Emergency Response Department has agreements on secondments through NORCAP with 11 different UN organisations. The Department also has an agreement with the International Organization for Migration (IOM). Two agreements with the Office of the United Nations High Commissioner for Human Rights (OHCHR) and the World Health Organization (WHO), respectively, have expired but are currently under review. The ProCap and GenCap special projects have an agreement with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) on the recruitment and administration of personnel. The Mediation Support Unit (MSU) special project has an agreement with the United Nations Department of Political Affairs (DPA).

Advocacy and information

NRC actively works to advocate for refugees and internally displaced persons in programme countries, in international forums and in Norway. In 2011, we emphasised the challenges related to a lack of humanitarian access during emergency aid operations. Climate change and displacement was also an important focus area. The most important climate-related event was the large Nansen conference that NRC and the CICERO environmental research centre organised in June on behalf of the Ministry of the Environment and the Ministry of Foreign Affairs. At the conference, the so-called

Nansen principles were developed, and these may become guidelines for how states establish protective mechanisms for people who are displaced due to climate change.

The year began with the unrest in the Ivory Coast, which led to much internal displacement as well as to refugee movements into neighbouring Liberia. NRC worked in a targeted manner to create international awareness of the displacement, and to ensure increased and more effective humanitarian aid to the area. Later in the year, NRC's advocacy work mainly focused on the humanitarian consequences of the creation of the new South Sudan state. However, in the summer it was clear that the famine in the Horn of Africa was reaching historic dimensions, and NRC's entire advocacy and information work concentrated on this crisis. Due to our active work on disseminating information, NRC set a record for donations collected in a single country during the summer/autumn of 2011. Later in the year, the 10-year anniversary of the international intervention in Afghanistan received the most attention. 2011 ended where it started, namely in Liberia. The awarding of the Nobel Peace Prize to President Ellen Johnson Sirleaf and the human rights activist Leymah Gbowee and their visit to NRC's Head Office to meet businesses and organisations was one of the high-points of the past year.

In connection with the advocacy work to improve humanitarian access, NRC implemented its global strategy (Global Advocacy Strategy) in 2011. Through this strategy, NRC's advocacy has focused particularly on the DRC, Colombia, Sri Lanka, the Occupied Palestinian Territories, Sudan, Afghanistan and Somalia. Furthermore, through its leadership of the Inter-Agency Standing Committees Core Group on Humanitarian Space, NRC has done much work on the negative effects of various countries' anti-terrorism legislation on humanitarian work.

The NRC's Internal Displacement Monitoring Centre (IDMC) in Geneva monitors the situation of internally displaced persons in approximately 50 countries. IDMC's extensive database is accessible online and in the annual Global Overview publication. The database is the foremost international source of information on internally displaced persons, and is used as a reference by the UN, governments, international media and

academic institutions. In 2011, IDMC has taken an important step towards alleviating the lack of systematised data related to displacement due to climate change. The most important part of this was the report IDMC presented at the Nansen conference in June on the number of displaced persons due to natural catastrophes. In 2011, IDMC has also completed an internal organisational reform that will help the centre operate more efficiently in the future.

NRC cooperates closely with UN organisations, the EU system and international organisations, both in the field and through its liaison offices in Geneva and Brussels. The most important stand-alone event in 2011 was the UNHCR's Minister conference in December, which marked the 60-year anniversary for the Refugee Conventions and the 50-year anniversary of the Conventions on Statelessness. NRC participated in the conference and while there worked hard to ensure that displacements due to climate change were put high on the agenda.

Market activities

NRC completed a very cost-effective Artist Gala on Norwegian television channel TV2 in December 2011, in which more than 10,000 people called or sent texts to register as sponsors. A realistic goal is for 7,000 of these to wish to continue as paying sponsors. The Artist Gala show was very well received, and the programme was discussed as being engaging, insightful and important, which is of great value to NRC's reputation. NRC has now completed the two most successful Artist Galas of the 13 that have been organised in total.

In connection with the famine in the Horn of Africa, a broad donation campaign was created in which editorial comments and PR was prioritised ahead of paid advertising. NRC received free advertising space in newspapers and magazines worth more than one million kroner in advertising cost. In total, NOK 9.2 million was raised. The money was earmarked for projects in the Horn of Africa.

For the third time, NRC collaborated with UNHCR to award the Nansen prize. In 2011, the prize was awarded to the Society of Humanitarian Solidarity from Yemen. The UN High Commissioner for Refugees, Antonio Guterres, participated in the ceremony along with Ministry of Foreign Affairs state secretary Gry Larsen, the Secretary General of the NRC, and the Norwegian and Swiss ambassadors. The Nansen prize concert, during which Angelina Jolie, Juanes, Sivert Høyem and others praised the winners, was shown in several countries.

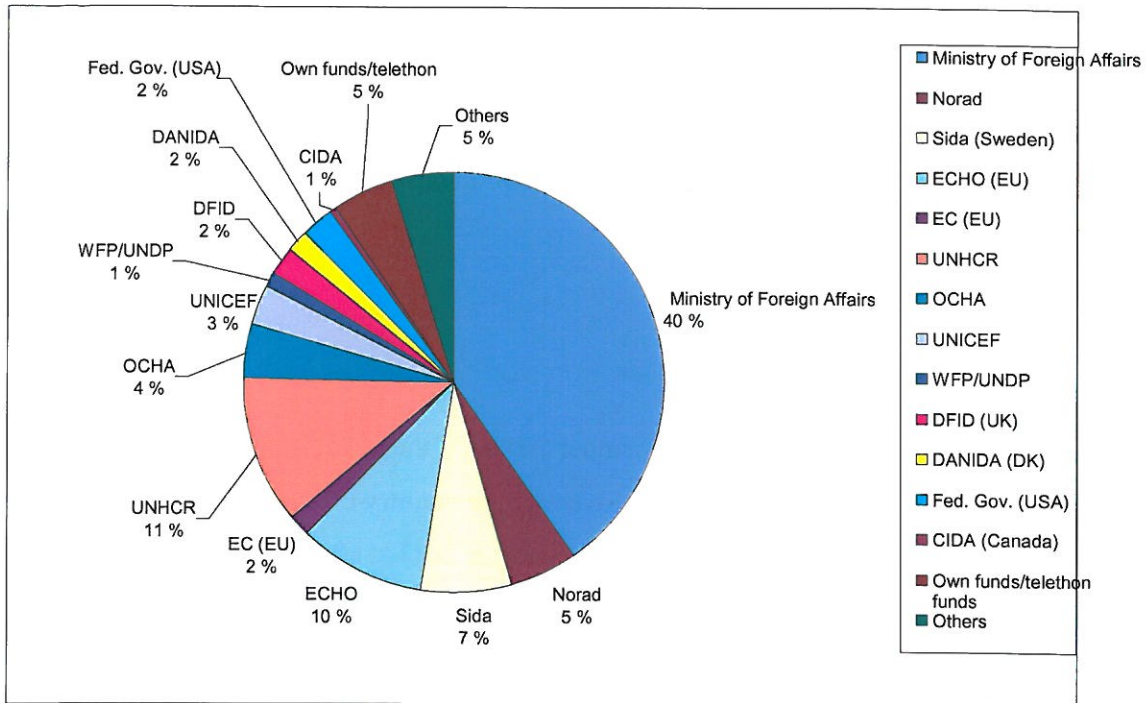
Organisational management, economics, and income basis

Since the 2008 financial year, NRC has used the temporary accounting standard for NGOs. Pursuant to this standard, the entire income of NOK 209 million from the 2010 telethon was recognised in 2010, even though the money will be used over a five-year period. Nevertheless, NRC's gross income of NOK 1.22 billion for 2011 is just NOK 51 million less than in 2010, which means a real increase in the level of activity of 16 percent. Ninety-eight percent of costs were used to fulfil NRC's mandate. Current assets amounted to NOK 765 million by the end of the year, against a short-term debt of NOK 428 million, which is a ratio of 1.8. This is satisfactory. Liquidity is good and the organisation has no long-term debt.

The organisation's activities are exposed to changes in exchange rates, as a significant part of both income and costs are in foreign currency. The donors carry most of the currency risk, but the organisation enters forward contracts to reduce the risk. As the organisation has no interest-carrying debt, increases in interest rates will lead to an improved result.

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

The targeted work on increasing allocations from foreign institutional donors showed a positive development in 2011 as well, and NRC received more funds from foreign than from Norwegian donors. The largest foreign contributors were various UN organisations (of which UNHCR was by far the largest contributor), the EU system, and government authorities in Sweden, Britain, USA, Denmark and Canada.



The direct recognition of the 2010 telethon means that there is a significant negative effect on results in the years these donations are being used. NRC nevertheless achieved a positive annual result of NOK 5 million in 2011. Other equity was strengthened by NOK 15 million, and this item best describes the financial result. An important reason for NRC's ability to maintain the good result is that most private donors (sponsors) who were recruited in connection with the live Artist Gala television programme on TV2 in December 2008 have continued their support in 2011. The *Perspective* magazine and the Field Reports from NRC's programme countries work well as tools to inform donors about our activities and to provide a foundation for ongoing support. The support from private donors is essential to NRC's freedom of action and ability to respond quickly and efficiently to the humanitarian needs of refugees and internally displaced persons around the world. Another important reason for the positive 2011 result is that NRC

implemented the significant increase in its level of activity without an equivalent increase in its administrative costs.

The income from the 2010 telethon will be very significant for NRC's level of activity and financial situation in the next several years. The funds are invested in accordance with the NRC and NRK Innsamlingsråd's ("Fundraising Council") investment instructions. In 2011, all funds were kept as bank deposits with good interest rates.

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

Organisation and personnel

NRC had 2,928 employees as of 31 December 2011. Of these, 2,475 are national employees and 150 are international employees at the country offices. 143 employees work at the Oslo Head Office, and as of 31 December 2011, 160 employees were on secondments through the emergency standby rosters.

Work environment

NRC actively works to ensure and maintain a good work environment in the organisation. This is important in order to recruit skilled and engaged employees, and to retain and develop these employees in accordance with NRC strategies and objectives. NRC continues to focus on the training and development of our employees, and three extensive introduction seminars were held at the Head Office in 2011.

In 2011, NRC continued its strategic focus on management and management development. Effective management contributes to NRC achieving quality programming and operations, and to our being able to provide aid to more people in our target group. NRC therefore considers continuous work on the recruitment, professional development, and retention of effective managers to be crucial.

NRC continued its National Management Training Programme (NMTP) for select national employees. In 2011, NRC also started the LEAD talent programme for potential Country Directors. Management training was provided for Country Directors and senior management at the Head Office through various seminars. Management training was also provided for middle management at the Head Office.

By using appropriate management tools and training, managers are able to achieve results for the organisation through their staff. NRC has seen that effective management contributes to our being able to respond quickly, effectively and with high quality aid.

The Working Environment Committee (AMU) has held three meetings during the year, and their discussions have included the following issues:

Sick leaves; status of the activity plan; the occupational health service; the reporting of deviations related to health, safety, and the environment (HSE); safety inspections; improvement of the HSE intranet pages; and the preparation of a policy regarding the abuse and use of drugs and alcohol. NRC held an HSE course for safety officers and AMU members, and AMU participated in the planning of the 2012 working environment survey.

In 2011, managers at the Head Office and in the field offices conducted development discussions with their employees. Management have fixed meetings with the labour unions, and the Secretary General holds regular staff meetings for Head Office staff.

Sick leaves

In 2011, there was a 4.3% sick leave rate at the Head Office, compared to 2.9% in 2010 and 4.1% in 2009. The opportunities and obligations in the agreement on an inclusive workplace have been maintained. This means, for example, that NRC has a continuous focus on following up on employees on sick leave, with the goal of looking after and helping employees on long-term sick leave return to work.

Equality, discrimination and accessibility

As of 31 December 2011, Head Office employees comprised 60% women and 40% men. At the Country Director level, there were 28% women and 72% men, while management with personnel responsibilities at the Head Office comprised 52% men and 48% women. The Head Office management group consists of four women and three men. The Board consists of 50% women and 50% men. Men working in the Head Office have a 1.76% higher salary than women working in the Head Office.

In the Head Office, 18% of the employees have an immigrant background, which is defined as having immigrated to Norway or having parents who were both born outside of Norway.

NRC's recruitment and HR policy is to ensure equal opportunities and rights, and prevent discrimination based on ethnic origins, nationality, language, religion and beliefs.

NRC does not currently have any disabled employees in the Head Office.

Environment

NRC works actively to reduce the environmental effects of its activities. This includes continuously working to reduce the use of transport and to minimise the environmental effects of refugee camps.

Organisational development

In 2011, the Board and administration have focused on strategic analyses of the organisation in order to uncover its strengths and weaknesses. The findings from a completed stakeholder analysis in which NRC donors, the UN and partners answered a number of questions about the organisation have been thoroughly reviewed and discussed. The objective has been to strengthen NRC and to make the organisation more robust following a period of significant growth. Concrete plans have now been developed to achieve this objective. Additionally, work has been conducted on updating NRC's vision and programme principles.

The core activities that guide the organisation's development and the execution of programme activities have been revised. A decision was made to rename the core activities "core competencies". The Board also amended its function and NRC responsibilities, and adopted a document that provides clear guidelines for the Board's work. Further, the Board developed and adopted instructions for the Secretary General.

In 2011, NRC has achieved increased access to vulnerable groups of internally displaced people in emergency situations, improved its operative abilities, improved the flexibility and predictability of its financial situation, and strengthened its position as a leading actor in complex crises.

The composition of the Board

In 2011, the Board was composed of Chair Bernt Bull, Deputy Chair Vidar Helgesen, Kaci Kullman Five, Gisele Marchand, Trygve G. Nordby, Turid Læg Reid, Ahmed Madar and Cecilie Hellestveit. Merethe Nedrebø and Martin Suvatne were the employee representatives on the Board, and Bente Rydland and Petra Storstein were their deputies. Petra Storstein was elected to be the employee representative from 1 July, and Merethe Nedrebø was elected to be a deputy employee representative from the same date. Idar Kreutzer was elected as a new Board Member during the Board meeting on 16 June. On 5 December, the Board unanimously elected Idar Kreutzer to be the Chair for three years. The new Chair took up the position after this Board meeting. Vidar Helgesen left the Board after the September Board meeting. The Board has held six meetings, two Board seminars, and discussed 62 cases during the year.

The Board and the administration collaborated very well throughout 2011. The Board wishes to thank all employees for their excellent efforts.

Prospects for the next year

The humanitarian sector has undergone significant changes in recent years, and organisations such as NRC face new challenges in the form of ever more complex crises and shifting patterns of displacement. The principle of state sovereignty and the politicisation of aid create great challenges related to security and humanitarian access. This will be a focus for NRC in 2012. NRC will also work to meet the stiffer competition for funds in a humanitarian sector with increasing numbers of actors, and will work to maintain the organisation's position and make its profile more visible.

NRC will continue the prioritisation of cost effectiveness and at the same time continue its strong focus on the quality of the services delivered. Measures will be implemented to comply with the donors' increasing requirements regarding documentation and transparency. Further, a project will be created to better enable the organisation to respond quickly to humanitarian crises. A team of key personnel within various disciplines will be able to deploy on short notice to support existing country programmes or to start new programmes.

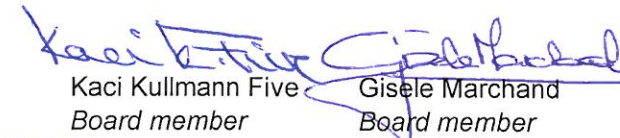
Oslo, May 7th 2012



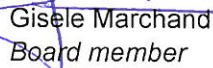
Idar Kreutzer
Chairman of the Board



Bernt Bull
Board member



Kaci Kullmann Five
Board member



Gisele Marchand
Board member



Trygve G. Nordby
Board member



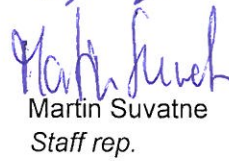
Cecilie Hellestveit
Board member



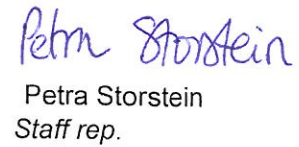
Turid Læg Reid
Board member



Ahmed A. Madar
Board member



Martin Suvatne
Staff rep.



Petra Storstein
Staff rep.



Elisabeth K. Rasmusson
Secretary General

