

## ÅRSREGNSKAP OG ÅRSBERETNING 2019

SAKSANSVARLIG: Styret ved Generalsekretær Dagfinn Høybråten

SAKSBEHANDLER: Økonomisjef Anders Østeby

SAKSTYPE: Beslutningssak

### A. SAMMENDRAG AV SAKSBEHANDLING/SAKENS BAKGRUNN

Kirkens Nødhjelps konsoliderte årsregnskap med årsberetning behandles i Styret før det legges fram for Representantskapet for godkjenning.

Kirkens Nødhjelp presenterer et konsolidert årsregnskap som inkluderer all virksomhet både i utlandet og i Norge. Formålet er å fremstille organisasjonen som én økonomisk enhet med beskrivelse av resultatutvikling og økonomisk stilling samlet. Årsregnskapet kan ifølge norsk regnskapslov kun presenteres på ett språk, og engelsk er besluttet av Styret for å kunne dekke informasjonsbehov både hjemme og ute.

Aktuelle problemstillinger har vært drøftet med revisor underveis i prosessen, og årsoppgjøret er behandlet i Ledergruppen.

Styret behandlet saken i møte 29. april 2020

### B. PRESENTASJON AV SAKEN

Regnskapet for 2019 viser at Kirkens Nødhjelp har implementert aktiviteter til en verdi av 1 053 millioner kroner (MNOK) i løpet av året, fordelt på 32 land.

Kirkens Nødhjelp oppnådde totale inntekter på 1 019 MNOK. Dette er en økning på 91 MNOK fra fjorårets beløp som primært skyldes høyere inntekter fra FN, søsterorganisasjoner i ACT, og andre internasjonale donorer.

Årets resultat for frie midler er et overskudd på 1 MNOK. Dette betyr at deler av inntektene fra 2019 kan finansiere aktiviteter inn i 2020.

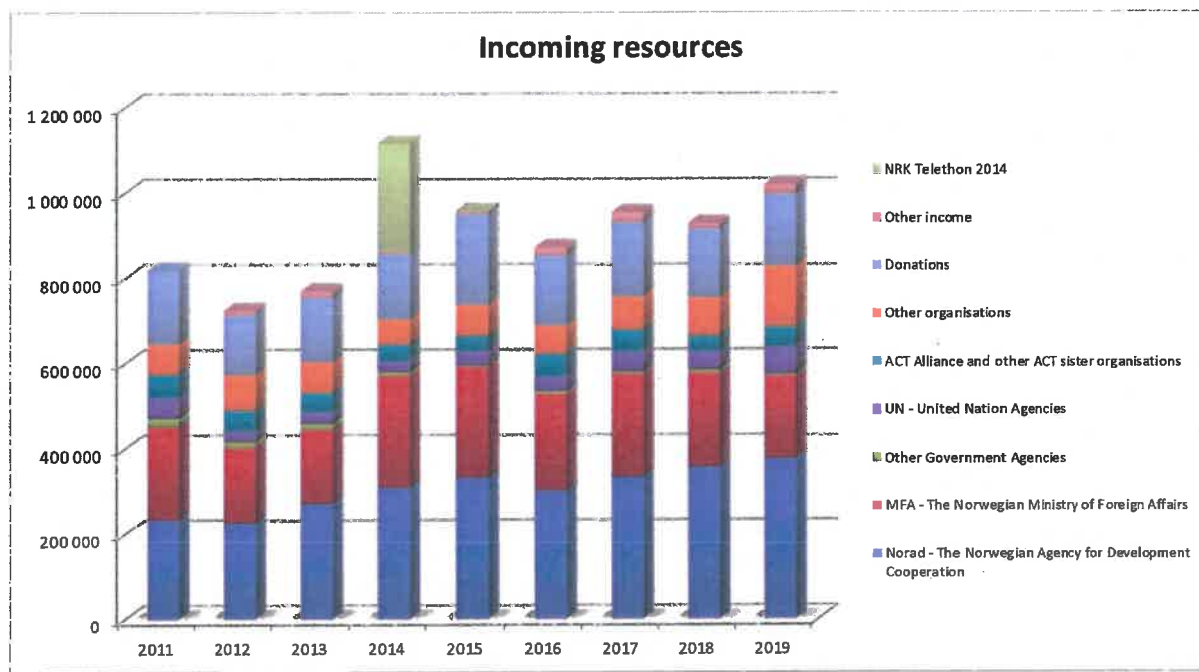
Årets totale resultat på minus 34\* MNOK er sammensatt av resultatene for frie og øremerkede midler. Minus 35 MNOK på øremerkede midler skyldes kostnader fra prosjekter hvor inntektene er bokført i tidligere regnskapsår, slik som TV-aksjonen. Dette dekkes av formålskapital med eksternt pålagte bindinger (øremerking) og er i henhold til plan.

\*34 MNOK: For mer detaljer se forslag til vedtak

Resultatet er foreslått disponert slik som fremkommer av talloppstillingen i punkt C. Egenkapitalen 31.12.19 er på 153 MNOK frie midler og 10 MNOK med eksternt pålagte bindinger. Dette ansees som dekkende i forhold til omsetningen.

## B1. Inntekter

Inntektene fordeler seg som følger:



### Tilskudd fra offentlige og andre organisasjoner

Kirkens Nødhjelp har implementert prosjekter finansiert av eksterne donorer for en verdi av 828 MNOK inkl. administrasjonsbidrag. Norad og UD står for 56% av de totale inntektene i 2019 – dette er en reduksjon sammenlignet med tidligere år. For å øke diversifiseringen i donort porteføljen har vi i de senere år fokusert på å oppnå høyere inntekter fra FN, ACT og andre organisasjoner og stater. I 2019 mottok vi 253 MNOK (2018: 170 MNOK) fra slike donorer. Våre største donorer i denne kategorien er UNHCR, UNICEF, DCA, ECHO og EuropeAid.

### Innsamlede midler i Norge

I 2019 ble det samlet inn 161 MNOK (2018: 155 MNOK) frie midler og 7 MNOK (2018: 6 MNOK) øremerkede midler. Økningen kommer primært fra individuelle, faste givere. skyldes hovedsakelig fasteaksjonen, samt en nedgang i inntekter fra privat næringsliv. Testamentariske gaver gav igjen gode resultater i 2019.

## B2. Kostnader

Det ble i 2019 brukt 957 MNOK til organisasjonens formål, 46 MNOK i innsamlingskostnader og 50 MNOK til administrasjon.

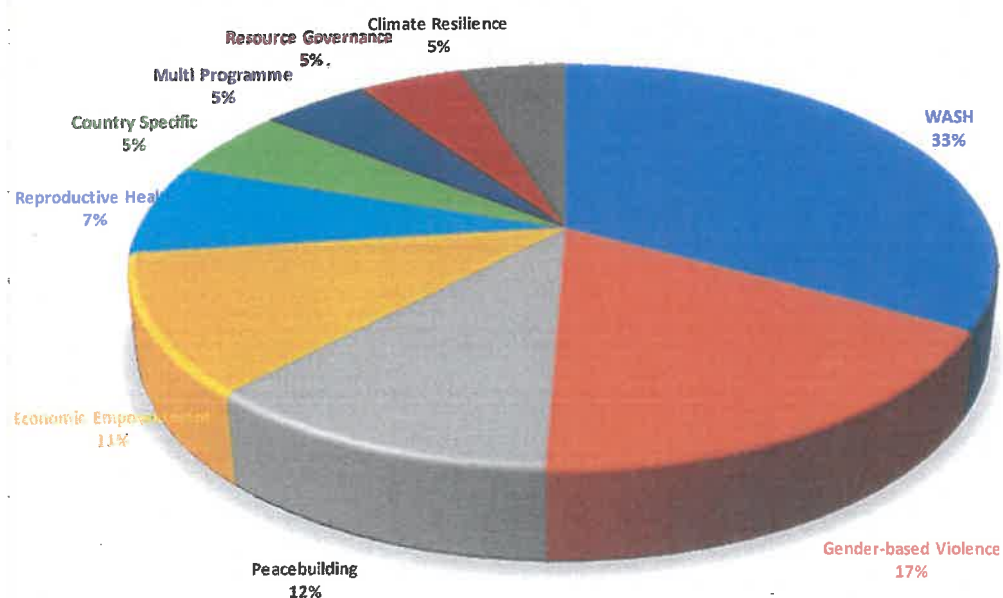
Administrasjonsprosenten var i 2019 på 4,7%. Dette er tilstrekkelig for en god kvalitetssikring av arbeidet vi utfører.

Av kostnadene som gikk til organisasjonens formål er fordelingen mellom de tre arbeidsmåtene (nødhjelp, langsiktig bistand og beslutningspåvirkning) svært lik fjoråret. Alle områdene har økt i omfang, men andelen av vårt langsiktige arbeid har økt mest:

### SLIK JOBBER VI:



Arbeidet var i 2019 fordelt mellom våre globale programområder på følgende måte:



## C. STYRETS FORSLAG TIL VEDTAK

1. Representantskapet godkjenner det fremlagte reviderte årsregnskap og årsberetning for 2019.
2. Årets underskudd på kr 34 145 750 disponeres slik som fremkommer av regnskapet:

Overføres fra fri formålskapital	1 011 863
Overføres fra formålskapital med eksternt pålagte bindinger	- 35 157 613
<b>Sum disponert</b>	<b>- 34 145 750 *</b>

# 2019 FINANCIAL STATEMENTS

ANNUAL REPORT FROM NCA  
BOARD OF DIRECTORS



NORWEGIAN CHURCH AID  
actalliance





Bishop Aregawi from the Ethiopian Orthodox Church meets the Norwegian Imam Ibrahim Saïdy at the NCA environmental seminar at the Trondheim International Olavsfest.

**PHOTO:** Håvard Bjelland/  
Norwegian Church Aid

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## STATEMENT OF FINANCIAL ACTIVITIES 2019

(NOK '000)	Notes	2019	2018
<b>INCOMING RESOURCES</b>			
<b>Institutional grants</b>			
Norad - The Norwegian Agency for Development Cooperation		352 414	333 396
MFA - The Norwegian Ministry of Foreign Affairs		183 427	209 861
Other Norwegian government agencies		4 186	7 806
Administrative support from Norwegian government agencies		34 573	33 950
<b>Subtotal Norwegian government agencies</b>	<b>2</b>	<b>574 600</b>	<b>585 013</b>
UN - United Nations Programmes		62 833	42 791
ACT Alliance and other ACT sister organisations		48 130	37 754
Other organisations, foundations and governments		131 730	77 472
Administrative support from UN, ACT and other institutions		10 651	11 723
<b>Subtotal UN, ACT and other institutions</b>	<b>3</b>	<b>253 344</b>	<b>169 740</b>
<b>Total institutional grants</b>		<b>827 944</b>	<b>754 753</b>
<b>Donations</b>			
Unrestricted donations		147 002	140 653
Restricted donations		6 784	6 286
Testamentary donations and legacies		14 246	14 238
<b>Total donations</b>	<b>4</b>	<b>168 032</b>	<b>161 177</b>
<b>Investment income</b>		<b>12 335</b>	<b>1 648</b>
<b>Other incoming resources</b>		<b>10 241</b>	<b>10 343</b>
<b>TOTAL INCOMING RESOURCES</b>		<b>1 018 552</b>	<b>927 921</b>
<b>RESOURCES EXPENDED</b>			
<b>Costs of generating other donations</b>		<b>45 935</b>	<b>47 044</b>
Long-term development cooperation		566 834	516 955
Humanitarian assistance		330 241	321 860
Advocacy for global justice		59 714	57 662
<b>Total international cooperation</b>	<b>5</b>	<b>956 789</b>	<b>896 477</b>
<b>Governance costs</b>	<b>6</b>	<b>49 974</b>	<b>52 191</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>1 052 697</b>	<b>995 713</b>
<b>NET INCOME (EXPENDITURE) FOR THE YEAR</b>		<b>(34 146)</b>	<b>(67 791)</b>
<b>Net movement in funds</b>			
Transfer to (from) unrestricted funds		1 012	(9 301)
Transfer to (from) funds with internally imposed restrictions		0	0
Transfer to (from) funds with externally imposed restrictions		(35 158)	(58 491)
<b>Total net movement in funds</b>	<b>13</b>	<b>(34 146)</b>	<b>(67 791)</b>



## BALANCE SHEET AS PER 31 DECEMBER 2019

(NOK '000)	Notes	12/31/2019	12/31/2018
<b>ASSETS</b>			
Tangible fixed assets	9	48 430	49 476
<b>Subtotal fixed assets</b>		<b>48 430</b>	<b>49 476</b>
Stocks	10	2 447	1 710
Debtors	11	126 628	94 763
Investments	12	106 607	166 381
Cash at bank and in hand	15	196 333	221 809
<b>Subtotal current assets</b>		<b>432 015</b>	<b>484 662</b>
<b>TOTAL ASSETS</b>		<b>480 445</b>	<b>534 138</b>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
Unrestricted funds		152 632	151 620
Funds with externally imposed restrictions		10 033	45 190
<b>TOTAL FUNDS</b>	<b>13</b>	<b>162 665</b>	<b>196 811</b>
<b>LIABILITIES</b>			
Accruals for pension liabilities	14	39 933	43 847
<b>Total long-term liabilities</b>		<b>39 933</b>	<b>43 847</b>
Project balances, advances from donor		187 783	201 868
Other short-term liabilities	15	90 064	91 612
<b>Total short-term liabilities</b>		<b>277 846</b>	<b>293 480</b>
<b>TOTAL LIABILITIES</b>		<b>317 779</b>	<b>337 327</b>
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>480 445</b>	<b>534 138</b>

Oslo, April 29<sup>th</sup> 2020

Kjetil Aano Chair of the Board	Sissel Vartdal Deputy chair of the Board	Kjetil Drangsholt Board member
Tone Lindheim Board member	Ingrid Erøy Fagervik Board member	Ottar Mæstad Board member
Bo Christoffer Iwar Brække Board member	Ingeborg S. Midttømme Board member	Kjersti Thoen Board member
Embla Regine Mathisen Board member	Javier Fabra Mata Board member	Gunn Inger Røkke Ruud Board member
Dagfinn Høybråten General Secretary		

## CASH FLOW STATEMENT 2019

(NOK '000)	2019	2018
<b>Cash flow from operating activities</b>		
Net incoming (outgoing) resources	(34 146)	(67 791)
Depreciation of fixed assets	14 442	2 944
Difference between pension contribution and current service costs	(3 914)	(13 016)
Changes in other current balance sheet items	(48 236)	(22 731)
<b>Net cash inflow from operating activities</b>	<b>(71 853)</b>	<b>(100 595)</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(16 214)	(5 690)
Disposal of tangible fixed assets	2 818	6 407
Change in net investment in financial assets	59 774	122 470
<b>Net cash flow from investing activities</b>	<b>46 377</b>	<b>123 187</b>
<b>Cash flow from financing activities</b>		
Repayment of long-term and short-term loans	0	0
<b>Net cash flow from financing activities</b>	<b>0</b>	<b>0</b>
<b>Net cash flow during the year</b>	<b>(25 476)</b>	<b>22 592</b>
Cash at bank and in hand at Jan 1.	221 809	199 217
<b>Cash at bank and in hand at Dec 31.</b>	<b>196 333</b>	<b>221 809</b>
This consists of:		
<b>Cash at bank and in hand</b>	<b>196 333</b>	<b>221 809</b>

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## NOTE 1 ACCOUNTING PRINCIPLES

The annual accounts have been prepared in compliance with the Norwegian Accounting Act and Norwegian accounting standards for NGOs.

The main principles are:

### **Consolidation of accounts**

Norwegian Church Aid's Head Office is located in Oslo, Norway. The organisation number with the Brønnøysund Register Centre is 951 434 353. In addition, NCA has several Country Offices abroad and all the Country Offices' transactions are reflected in these consolidated financial statements.

### **Receivables and liabilities**

Both long-term receivables and liabilities as well as current liabilities are valued at nominal value at the time of establishment.

### **Fixed and current assets**

Investments in tangible fixed assets at Head Office are capitalized upon acquisition. Fixed assets are valued at historical cost less depreciation. Direct maintenance costs are expensed when incurred, while improvements are capitalized and depreciated accordingly. Booked value of assets are written down if the fair value is estimated to be lower than the booked value and the impairment is not expected to be temporary.

Fixed assets at the Country Offices are 100% written down upon purchase; reference is made to impairments in note 9. The reason for this is that the projects are short-term in nature and that there are risks involved both in the implementation of projects and the general context of the countries. It would therefore not be appropriate to depreciate the fixed assets over time.

### **Financial investments**

NCA's investments are subject to active management and are regarded as current assets carried at fair value as of 31.12.

### **Tax**

In accordance to Norwegian Tax Law Norwegian Church Aid is not considered taxable.

### **Incoming resources**

Incoming resources consist of institutional grants, donations, investment income and other incoming resources. Donations, both restricted and unrestricted, are recognized as income in the same period that they are earned. Restricted funds that are not spent in the accounting period are accounted as funds with externally imposed restrictions. Restricted funds from previous years used this accounting period are booked from funds with externally imposed restrictions; see note 13.

Funding with repayment requirements (i.e. institutional grants) is not recognized as income when received. Received funding is booked as a liability in the balance sheet until the funds are used for the activity the grant was intended for. The funding is recognized as income when the recipient has the legal right to the grant, which will be when the funds are actually used for the activity for which the funding was granted.

### **Resources expended**

Expenses are to the greatest possible extent directly attributed to the activities to which they belong. Resources expended on international cooperation are fulfilling the organisation's purpose, and include distributions and allocations to partner organisations, costs associated with the Department for International Programmes and Development Policy at Head Office, as well as operational costs in the countries where programmes are implemented. Costs are expensed in the period in which the activity took place.

Governance costs cover the activities necessary to run the organisation; including depreciation, fees paid to external auditors, lawyers and consultants, personnel costs of the HR department, finance department and the General Secretariat, travel, IT costs and financial costs.

Costs of generating donations include personnel costs related to fundraising, advertising and media campaigns and distribution of materials.

All personnel costs related to the Department for Fundraising, the Department for Communications, the De-

partment for International Programmes and the Department for Development Policy are classified as respectively costs of generating donations and expenses related to international cooperation. This is in accordance with the guidelines from the Norwegian Control Committee for Fundraising.

Unused project funds as of 31.12 are recognized in the balance sheet under "Project balances, advances from donor".

#### **Foreign currencies**

Accounts at the Country Offices are kept in local currency. When consolidating, NCA Country Offices' statements of financial activities are converted to NOK at the average rate for the year. Balance sheets - including assets and liabilities in foreign currencies - are converted at the exchange rate at the balance sheet date. Agio/disagio is reported as an integral part of the total resources expended, classified according to the class of the project they relate to. During 2019, a total net currency loss of 6,6 MNOK has been credited to the accounts.

#### **Pensions**

Norwegian Church Aid has pension schemes that meet the requirements of the law on compulsory occupational pension and are covered through KLP and Gjensidige. All employees above the age of 55 as of 1st May 2016 at Head Office have a defined future benefit plan insured through KLP. All other employees with NAV coverage have a defined contribution plan insured through Gjensidige; and expatriate personnel without NAV have private pension insurances. A contractual pension scheme is included for the different groups.

For the defined future benefit plan, pension costs and pension liabilities are calculated using linear method based on assumptions about discount rates, future salary increases, pensions and social security benefits, the expected return on plan assets and actuarial assumptions on mortality, attrition, etc. Pension assets are valued at fair value and deducted from the net pension liabilities balance. For more information about pensions, please refer to note 14."

Pension schemes for employees at Country Offices are based on pension schemes in the countries where Norwegian Church Aid operates. If favourable, a provident fund scheme is applied.

#### **Response to the Covid-19 pandemic**

With regards to the ongoing Covid-19 pandemic, NCA's designated task force and NCA country offices are monitoring the situation closely. Basic workplace preventive measures have been put in place, employees in several countries, including Norway, are currently working from home to reduce spread, and other measures are updated daily according to the situation in the area of operations. International travel is reduced to essential only.

As a humanitarian organisation with a major focus on GBV and water, sanitation and hygiene; NCA - in cooperation with local authorities, faith actors, and national civil society organisations - has a relevant role to play in the response to this global outbreak. We are in dialogue with various institutional donors regarding funding of activities to combat the outbreak, and own unrestricted funds have been mobilised to cover the first phase interventions in several countries.

NCA is in a sound financial position. We are expecting the current economic situation in Norway to affect our incoming voluntary donations from the Norwegian public, but will be able to use our accumulated funds to keep activities running at a high level. Financial assets are expected to lose value, but as per now the cash flow is good and we don't plan on realising any sales or losses. The weakened NOK compared to EUR and USD can impact available funds to our projects and partners, but budgets and plans will be revised to stay relevant to the changing situations. We have sound experience with remote monitoring from countries such as Afghanistan and Somalia, which can be put to good use to mitigate any potential reduced mobility and access to project areas due to this pandemic. Instability in banking services are likely to occur in certain countries, and preventive measures have been taken in this regard.

## NOTE 2 FUNDING FROM NORWEGIAN GOVERNMENT AGENCIES

	International cooperation		Activities in Norway		Administrative support		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Norad Cooperation Agreement	194 416	168 759	796	761	13 578	12 281	208 789	181 801
Norad Special Programmes	14 172	17 344			1 129	1 361	15 302	18 705
Norad Embassies and Strategic Partnerships	139 921	143 513			8 472	9 365	148 393	152 878
Norad Information Support			3 109	3 019	209	209	3 319	3 229
<b>Subtotal Norad</b>	<b>348 509</b>	<b>329 616</b>	<b>3 905</b>	<b>3 781</b>	<b>23 388</b>	<b>23 217</b>	<b>375 802</b>	<b>356 613</b>
MFA Norway	171 878	187 979			10 728	10 082	182 607	198 061
MFA Embassies	11 548	21 882			335	510	11 884	22 392
<b>Subtotal MFA</b>	<b>183 427</b>	<b>209 861</b>	<b>0</b>	<b>0</b>	<b>11 064</b>	<b>10 592</b>	<b>194 491</b>	<b>220 453</b>
FK - The Norwegian Peace Corps	27	934					27	934
IN - Innovation Norway	0	2 918				22	-	2 940
FHI - Norwegian Institute of Public Health	1 461	1 632			74	73	1 534	1 705
SIU - Senter for internasjonalsisering av utdanning	2 699	2 321			47	47	2 746	2 368
<b>Subtotal other Government Agencies</b>	<b>4 186</b>	<b>7 806</b>	<b>0</b>	<b>0</b>	<b>120</b>	<b>142</b>	<b>4 307</b>	<b>7 948</b>
<b>Total funding from Norwegian Government Agencies</b>	<b>536 122</b>	<b>547 282</b>	<b>3 905</b>	<b>3 781</b>	<b>34 573</b>	<b>33 950</b>	<b>574 600</b>	<b>585 013</b>

NCA has a four year Cooperation Agreement with Norad covering the period 2016 -2019, funding NCA's activities with NOK 188 mill per year. NCA also has agreements with Norad for Faith and Minorities in various countries (four years), Oil for Development in Angola (three years) and a Master programme in South Sudan (three years) funding a total of NOK 17 mill per year. In addition to these agreements, NCA has special yearly agreements supported by some local Embassies. NCA is applying for a new cooperation agreement with Norad starting from 2020.

NCA has two cooperation agreements with MFA, one on WASH and one on GBV, both ended in 2019. In addition, several humanitarian interventions receive funding every year. From 2020, NCA is applying for a strategic partnership agreement with MFA to replace the previous frame agreements.

Other government agencies are funding special activities in some of our programme areas, with SIU funding initiatives in Afghanistan and FHI funding Malawi.

### NOTE 3 FUNDING FROM UN, ACT AND OTHER ORGANISATIONS

	2019	2018
UNHCR - United Nations High Commissioner for Refugees	19 524	19 738
UNICEF - United Nations Children's Fund	19 234	12 903
OCHA - United Nations Office for the Coordination of Humanitarian Affairs	11 809	4 844
UNDP - United Nations Development Programme	5 785	738
UNFPA - United Nations Population Fund	3 335	2 682
WFP - World Food Programme	2 131	1 887
UN Women	1 016	0
<b>Subtotal UN - United Nations Programmes</b>	<b>62 833</b>	<b>42 791</b>
DCA - DanChurchAid (Denmark)	22 789	16 785
CoS - Church of Sweden	11 274	9 213
CA - Christian Aid (UK)	5 343	2 456
Diakonia Sweden	3 834	584
ACT Alliance	3 326	7 409
BftW - Bread for the World (Germany)	1 281	1 184
LWF - Lutheran World Federation	284	8
Act for Peace - National Council of Churches in Australia	0	174
Diaconia ECCB - Czech	0	(60)
<b>Subtotal ACT Alliance and other ACT sister organisations</b>	<b>48 130</b>	<b>37 754</b>
<b>Funding from other governments</b>		
ECHO - European Commission Humanitarian Aid and Civil Protection	22 985	7 831
European Commission (EC) - EuropeAid	16 012	16 076
GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit	15 629	8
USAID/OFDA - United States Agency for International Development / Office of Foreign Disaster Assistance	13 777	8 345
Ministry of Foreign Affairs Netherlands	11 993	13 227
DFID - Department for International Development UK	10 266	1 243
Embassy of The Netherlands in Bamako, Mali	8 936	15 608
British Embassy Kabul	0	154
<b>Funding from organisations and foundations</b>		
The Global Fund to Fight AIDS, Tuberculosis and Malaria	6 913	0
Aidsfonds Netherlands	5 265	0
CAFOD - Catholic Agency for Overseas Development	4 754	4 827
AcT - Accountability in Tanzania Programme	3 844	1 253
CRS - Catholic Relief Services	3 120	0
DF - Development Fund	1 939	0
Allan Family of Australia	1 742	1 623
Knorr-Bremse Global Care	961	0
Grundfos (Pouls Due Jensen) Foundation	867	3
DVV - Institute for International Cooperation of the German Adult Education Association	781	844
FORUT Campaign for development and solidarity (Norway)	749	522
OSISA - The Open Society Initiative for Southern Africa	426	22
Bright Products AS	279	343
NRGI - Natural Resource Governance Institute (RWI - Revenue Watch Institute)	210	200
BBC Media Action	190	0
The Norwegian Mission Alliance	89	0
NFF - Football Association of Norway	29	0
Tiltonse Fund (South Africa)	0	2 492
Strømme Foundation (Norway)	0	1 994
IOM - International Organization for Migration	0	683
ACT for Peace Australia	0	202
Statoil	0	(29)
NAD/NHF - Norwegian Association of Disabled	(24)	0
<b>Subtotal other organisations, foundations and governments</b>	<b>131 729</b>	<b>77 472</b>
<b>Administrative support from other organisations</b>	<b>10 651</b>	<b>11 723</b>
<b>Total funding from other organisations</b>	<b>253 344</b>	<b>169 740</b>

## NOTE 4 DONATIONS

	2019	2018
<b>Unrestricted donations</b>		
Regular donors	73 663	67 420
Donor campaigns	11 311	11 430
Changemaker donations and subscriptions	0	(9)
Web shop / alternative gifts	4 029	5 282
Other donations	10 363	9 028
Anniversary and remembrance gifts	841	877
<b>Individual donors</b>	<b>100 208</b>	<b>94 028</b>
Lenten campaign	32 425	31 465
Church offerings	12 487	12 573
<b>Congregations and communities</b>	<b>44 913</b>	<b>44 038</b>
Advertisements sales	66	945
Sponsor revenue	769	395
Payroll donations from company employees	1 045	1 247
<b>Private sector</b>	<b>1 881</b>	<b>2 588</b>
<b>Subtotal unrestricted donations</b>	<b>147 002</b>	<b>140 653</b>
<b>Restricted donations</b>		
Sahel Drought 2017	217	448
Refugees Europe 2015	221	615
<b>Fundraising campaigns</b>	<b>439</b>	<b>1 063</b>
Tanzania, Water, sanitation and hygiene	1 424	0
Malawi, Emergency response to floods in Nsanje	1 180	0
Haiti, Education/Youth (WASH), Green Schools	763	739
Ethiopia, Safe Space: Accelerating action to ensure the wellbeing of adolescents	661	270
Ethiopia, Water Development Project	617	1 199
Ethiopia, Water, hygiene and sanitation in Ankober and Woreda	499	0
Ethiopia, Strengthened Climate Resilience for rural Ethiopian Communities (Food security, Samre)	321	384
Palestine, Vocational training programme	284	50
Brazil, Football and citizenship	235	202
Afghanistan, Promoting youth leadership and a culture of peace through sports	230	277
Zambia, Sexual reproductive health rights for adolescent girls and young women	204	0
DR Congo, Support to Transit Centre Dorcas House	141	187
Ethiopia, Church forest conservation	140	0
Tanzania, Support to Haydom Lutheran hospital	92	104
Malawi, Saving lives through quality health care - Christmas Campaign	77	360
Somalia, Job creation, Anti-Piracy Project	70	317
Zambia, Community Schools in Livingstone	24	143
Romania, Dignified living conditions, equal access to economic opportunities and improved citizen participation of Roma people	15	21
Brazil, Co-existence with the semi-arid	14	20
Northern Iraq, WASH Assistance to conflict affected people	12	0
Zambia, Climate, Mumbaji Climate Resilience Project	1	22
Somalia, Provision of clean water and livelihood support to drought affected communities in Budunbu-to Village, Dangorayo District	0	250
Changemaker various activities (earmarked)	0	(7)
Somalia, Improved access to water, sanitation and hygiene services for Garowe IDPs	0	276
Zambia, Antioch School Project	0	46
Global, Emergency response partner *	(689)	394
Other project donations (less than 50.000 NDK per project)	30	(32)
<b>Project donations</b>	<b>6 345</b>	<b>5 223</b>
<b>Subtotal restricted donations</b>	<b>6 784</b>	<b>6 286</b>
<b>Testamentary donations and legacies</b>	<b>14 246</b>	<b>14 238</b>
<b>Total donations</b>	<b>168 032</b>	<b>161 177</b>

\* Funds accumulated from emergency response partners were in 2019 granted to Malawi's flood response in Nsanje



## NOTE 5 INTERNATIONAL COOPERATION

Norwegian Church Aid provides emergency assistance in disasters, works for long-term development in local communities and advocates for just decisions by public authorities, business and religious leaders.

These activities can be directly implemented by NCA or in cooperation with our local partners.

The distribution of expenses per country of operation is as follows:

Region/Country	2019	2018	Region/Country	2019	2018
<b>Eastern Africa</b>			<b>South East Asia</b>		
Burundi	15 451	9 052	Myanmar	13 809	7 500
Democratic Republic of the Congo	44 547	46 700	Bangladesh	12 862	18 096
Eritrea	281	572	Laos	0	597
Ethiopia	70 891	61 773	Vietnam	3 226	2 793
Kenya	(2)	0	Philippines	165	0
Somalia	53 221	53 783	<b>Total South East Asia</b>	<b>30 062</b>	<b>28 986</b>
South Sudan	80 617	75 550			
Sudan (excl. Darfur)	24 097	13 301	<b>Total Middle East and South East Asia</b>	<b>209 060</b>	<b>220 722</b>
Sudan (Darfur region)	51 427	36 091			
Tanzania	48 813	37 877	<b>Latin America</b>		
Regional Eastern Africa	6 806	6 399	Brazil	307	202
<b>Total Eastern Africa</b>	<b>396 149</b>	<b>341 098</b>	Dominican Republic	0	376
			Guatemala	5 371	4 959
<b>Southern Africa</b>			Haiti	9 719	12 674
Angola	47 908	48 386	<b>Total Latin America</b>	<b>15 397</b>	<b>18 211</b>
Malawi	34 858	42 038			
Zambia	42 914	24 697	<b>Europe (excluding Norway)</b>		
Regional Southern Africa	7 229	7 528	Romania	2 408	2 354
<b>Total Southern Africa</b>	<b>132 910</b>	<b>122 649</b>	Serbia	0	420
			Regional Europe	355	339
<b>West and Central Africa</b>			<b>Total Europe (excluding Norway)</b>	<b>2 763</b>	<b>3 112</b>
Mali	57 325	51 506			
Western Sahara	174	3 150	<b>Norway*</b>	<b>23 615</b>	<b>23 677</b>
Cameroon	0	569			
Niger	3 832	5 760	<b>Global</b>	<b>85 826</b>	<b>89 069</b>
Nigeria	29 738	16 954			
<b>Total West And Central Africa</b>	<b>91 068</b>	<b>77 939</b>	<b>Total International Cooperation</b>	<b>956 789</b>	<b>896 477</b>
<b>Total Africa</b>	<b>620 127</b>	<b>541 686</b>			
<b>Middle East</b>					
Afghanistan	40 470	54 310			
Iraq	36 236	37 950			
Lebanon	27 874	21 817			
Pakistan	25 464	21 528			
Palestine	15 062	20 304			
Syria	33 891	35 827			
<b>Total Middle East</b>	<b>178 998</b>	<b>191 735</b>			

\* Activities in Norway include costs related to NCA's youth organisation Changemaker, as well as awareness raising work carried out by the regional coordinators and others in Norway.

## NOTE 6 GOVERNANCE COSTS

Analysis of governance costs by type of expenditure	2019	2018	Note
Personnel cost	28 621	32 695	a)
Depreciation of fixed assets	4 703	4 233	
Fees for auditors, legal advisors and consultants	3 195	1 669	
Travel expenses	1 204	1 726	
IT and communication expenses	6 149	6 741	
Office running cost and expenses related to premises	2 383	3 628	
Financial expenses	459	179	
Other expenses	3 260	1 319	
<b>Total governance cost</b>	<b>49 974</b>	<b>52 191</b>	

a) In addition to payroll costs this includes pension, insurance, trainings, recruitment costs and other personnel related costs.

### Key figures and ratios according to guidelines from the Norwegian Control Committee for Fundraising

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>	
Share, governance costs	49 974	4,7 %	52 191	5,2 %	50 790	5,2 %	66 440	6,9 %	43 472	4,5 %
Share, international cooperation	956 789	90,9 %	896 477	90,0 %	876 874	90,0 %	853 333	88,6 %	883 809	91,0 %
Share, fundraising costs	45 935	4,4 %	47 044	4,7 %	47 120	4,8 %	42 815	4,4 %	44 333	4,6 %
Total resources expended	1 052 697	100,0 %	995 713	100,0 %	974 785	100,0 %	962 587	100,0 %	971 614	100,0 %
Fundraising ratio	<u>72,7 %</u>		<u>70,8 %</u>		<u>72,8 %</u>		<u>73,6 %</u>		<u>79,3 %</u>	

The fundraising ratio shows the proportionality between donations received and the costs of generating voluntary income.

## NOTE 7 AUDITORS' REMUNERATION

<u>Auditors' remuneration (incl. VAT)</u>	<u>2019</u>	<u>2018</u>
Ordinary auditor's remuneration, Head Office	476	703
Project audits, Head Office	982	1 110
Other services and support from auditor	81	1 044
Ordinary auditor's remuneration and project audits at Country Offices	4 005	4 691
<b>Total costs to auditors</b>	<b>5 544</b>	<b>7 548</b>

In 2018, BDO was chosen as NCA's new group auditor.

Ordinary auditor's remuneration includes both final invoices for the 2018 audit as well as on account invoices for the 2019 audit

## NOTE 8 EMPLOYEE AND STAFF COSTS

Analysis of personnel costs	Head Office staff		National and expatriate staff at Country Offices		Total payroll costs all employees	
	2019	2018	2019	2018	2019	2018
Wages and salaries	83 379	79 113	161 164	141 685	244 543	220 798
Social security costs	12 815	12 615	11 300	2 548	24 115	15 163
Pension costs	6 355	6 516	8 324	7 255	14 679	13 771
Other remuneration	2 147	2 010	3 998	8 347	6 145	10 356
<b>Payroll costs</b>	<b>104 697</b>	<b>100 253</b>	<b>184 786</b>	<b>159 835</b>	<b>289 483</b>	<b>260 088</b>
Consultants	1 761	2 987	9 900	2 352	11 661	5 340
Other personnel related costs	4 472	5 784	2 964	3 686	7 436	9 470
<b>Indirect personnel costs</b>	<b>6 233</b>	<b>8 772</b>	<b>12 864</b>	<b>6 038</b>	<b>19 097</b>	<b>14 810</b>
<b>Total personnel costs</b>	<b>110 930</b>	<b>109 025</b>	<b>197 650</b>	<b>165 873</b>	<b>308 580</b>	<b>274 898</b>

Other personnel related costs include trainings and seminars, invoices from hotels, costs related to advertisements for vacant positions, canteen running cost, etc.

Staff numbers by location and type of employment	31.12.2019	31.12.2018
Permanent positions at Head Office	138,0	132,0
Temporary positions at Head Office	20,0	17,0
Expatriate positions at Country Offices	46,0	42,0
National staff at Country Offices	634,0	613,0
<b>Total number of employees</b>	<b>838,0</b>	<b>804,0</b>

Emoluments for executive managers (General Secretary)	2019	2018
Wages and salaries	1 141	913
Pension costs	97	100
Other remuneration including travel compensation	28	41
<b>Total emoluments for executive managers (General Secretary).</b>	<b>1 265</b>	<b>1 054</b>

No fees are paid to the Board of Directors or the NCA Council.  
The General Secretary has no agreements for severance pay, bonuses etc.

The position was filled by Lisa Sivertsen from January to March and Dagfinn Høybråten from April to December, which is reflected in the amounts above.

## NOTE 9 FIXED ASSETS

	Buildings			Motor Vehicles			Office and staff house furnitures (incl. Art)			Permanent bu	
	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Cour Offi
Cost price 01.01.19	49 042	17 851	66 893	30	22 689	22 719	5 516	5 482	10 998	19 104	
This year's additions		1 894	1 894		5 717	5 717	17	712	728	40	
This year's disposals		(1)	(1)		(1 292)	(1 292)		(224)	(224)		
Cost price 31.12.19	49 042	19 743	68 785	30	27 114	27 144	5 532	5 969	11 501	19 144	
Accumulated depreciation 01.01.19	(11 288)		(11 288)	(30)		(30)	(4 897)		(4 897)	(11 567)	
This year's depreciation	(1 026)		(1 026)	0		0	(118)		(118)	(1 059)	
Accumulated depreciation 31.12.19	(12 314)	0	(12 314)	(30)	0	(30)	(5 014)	0	(5 014)	(12 626)	
Accumulated impairment 01.01.19		(17 851)	(17 851)		(22 689)	(22 689)		(5 482)	(5 482)		
This year's impairment		(1 892)	(1 892)		(4 425)	(4 425)		(487)	(487)		
Accumulated impairment 31.12.19		(19 743)	(19 743)		(27 114)	(27 114)		(5 969)	(5 969)		
Booked value 31.12.19	36 727	0	36 727	0	0	0	518	0	518	6 518	
<b>Economic lifetime</b>	<b>50 years</b>			<b>5 years</b>			<b>10 years/5years</b>			<b>20 years</b>	

Equipment and facilities with a cost price of more than NOK 15 000 per unit and estimated economic lifetime of more than one year are capitalised in the balance sheet. The assets are depreciated over their economic lifetime unless otherwise stated. Reference is also made to accounting principles for assets used by Country Offices abroad included in note 1.

2019 exchange rates are used for incoming balances, which explains why they differ from closing balances 2018 in last year's financial statements. In addition, NCA Ethiopia has reclassified some assets from Office machines to office furniture in 2019.

### 1) PROPERTY BERNHARD GETZ GATE 3 (BG3)

Norwegian Church Aid owns the office building situated in Bernhard Getz Gate 3 in Oslo. The building is divided into units, where NCA owns 63.97% of the total building stock and the Norwegian Bible Society owns the remaining share. DnB has a mortgage on the building valued at 42 MNOK, although no loan is currently using this as security.

Building fixtures		IT equipment (hardware/software)			Office machines			Other investments			Total		
Country	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total
	19 104	17 356	8 937	26 293	662	10 281	10 943	91	11 439	11 530	91 800	76 679	168 479
	40	3 889	1 629	5 518	0	872	872	(91)	1 535	1 445	3 855	12 360	16 214
	0		(477)	(477)		(658)	(658)		(165)	(165)	0	(2 818)	(2 818)
0	19 144	21 245	10 089	31 334	662	10 496	11 158	0	12 810	12 810	95 655	86 221	181 876
	(1 567)	(13 999)		(13 999)	(453)		(453)			0	(42 233)	0	(42 233)
	(1 059)	(2 668)		(2 668)	(120)		(120)			0	(4 991)	0	(4 991)
0	(12 626)	(16 667)	0	(16 667)	(573)	0	(573)	0	0	0	(47 224)	0	(47 224)
0	0		(8 937)	(8 937)		(10 281)	(10 281)	(91)	(11 439)	(11 530)	(91)	(76 679)	(76 770)
0	0		(1 152)	(1 152)		(215)	(215)	91	(1 371)	(1 280)	91	(9 542)	(9 451)
0	0		(10 089)	(10 089)		(10 496)	(10 496)	0	(12 810)	(12 810)	0	(86 221)	(86 221)
0	6 518	4 577	0	4 577	90	0	90	0	0	0	48 430	0	48 430

Years	3 years	3 years	n/a
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## NOTE 10 STOCKS

Norwegian Church Aid's emergency stock contains various water and sanitation equipment ready to be dispatched on short-term notice to crisis areas. Examples of equipment are latrines, water purification, storage and distribution equipment and tents.

The main stock is located at Frogner, close to Gardermoen airport, and contains values for 2,4 MNOK as of 31.12.2019. In addition, Norwegian Church Aid stores equivalent equipment at the World Food Programme's United Nation Humanitarian Response Depots (UNHRD) in the United Arab Emirates (Dubai, 99 TNOK); expensed at the time of purchase.

Stocks are also kept at several of Norwegian Church Aid's Country Offices. As stated in the accounting principles, these are expensed at the time of purchase. The total value as of 31.12.2019 was 8,2 MNOK.

## NOTE 11 DEBTORS

	<b>31.12.2019</b>	<b>31.12.2018</b>
Receivables from donors	90 661	64 835
Receivables from partners	7 357	7 674
Receivables from employees	1 871	1 194
Prepaid expenses	12 176	6 789
Deposits	468	487
Accrued income	7 345	7 837
Other short-term receivables	6 750	5 949
<b>Total short-term receivables</b>	<b>126 628</b>	<b>94 763</b>

## NOTE 12 INVESTMENTS

Financial investments 31.12.2019	Cost price	Market value	Unrealised gain (loss)
	31.12.2019	31.12.2019	31.12.2019
Money market funds and investment funds, national and international	54 944	55 134	189
Quoted shares, national and international	43 841	45 970	2 129
Other shares	1 247	1 247	0
Equity contribution pension fund	4 163	4 163	0
Investment properties	266	93	(173)
<b>Total</b>	<b>104 462</b>	<b>106 607</b>	<b>2 145</b>

Financial investments 31.12.2018	Cost price	Market value	Unrealised gain (loss)
	31.12.2019	31.12.2019	31.12.2019
Money market funds and investment funds, national and international	91 981	91 528	(453)
Quoted shares, national and international	77 607	73 964	(3 643)
Other shares	382	382	0
Investment properties	413	507	93
<b>Total</b>	<b>170 384</b>	<b>166 381</b>	<b>(4 003)</b>

NCA will within the ethical guidelines and the framework for proper risk management, risk diversification and liquidity seek to achieve the best return on financial investments. Investments will be made in accordance with the Board's guidelines. The investments are considered as current assets and are valued at market value as of 31.12.

The reduction in total investments between 2018 and 2019 is due to the sale of a investments to provide liquidity to prefinance operations.

## NOTE 13 FUNDS

		Opening balance 01.01.19	Incoming resources	Resources expended	Closing balance 31.12.19
<i>Unrestricted funds</i>					
Foundation capital	1)	87 096	1 190		88 285
Unrestricted income funds		64 525	227 657	(227 835)	64 347
<b>Subtotal unrestricted funds</b>		<b>151 620</b>			<b>152 632</b>
<i>Funds with externally imposed restrictions</i>					
Earmarked project funds	2)	8 506	6 784	(11 510)	3 780
Telethon funds		36 685	108	(30 540)	6 253
Legacy income funds		0	92	(92)	0
<b>Subtotal funds with externally imposed restrictions</b>		<b>45 190</b>			<b>10 033</b>
<b>Total funds</b>		<b>196 811</b>	<b>235 831</b>	<b>(269 977)</b>	<b>162 665</b>

1) NCA - being an organisation and not a trust - does not have a legally bound foundation capital; hence the classification as unrestricted funds. The Board of Directors has in a resolution adopted guidelines for the allocation of funds to and from the Foundation capital. The balance is each year increased according to the consumer price index.

2) NCA regularly organises fundraising campaigns when a humanitarian crisis occurs. These funds are accounted for as earmarked project funds with externally imposed restrictions. As these funds are collected from a large group of donors, a reimbursement to donors of funds not used in accordance with the restrictions would not be feasible. This situation has not been relevant in the past, and is thought unlikely to occur in the future.

Details of movements in earmarked project and campaign funds 2019:

	Opening balance 01.01.19	Incoming resources	Resources expended	Closing balance 31.12.19
Refugees Europe	3 018	221	(2 230)	1 009
Eastern Sahel Drought	871	217	(871)	217
Syria Emergency Response	238			238
Typhoon Philippines	165		(165)	(0)
Ethiopia Drought	98		(98)	(0)
North Iraq Emergency Response	49		(49)	(0)
Earmarked donations to projects (see note 4)	4 065	6 345	(8 096)	2 315
<b>Earmarked project funds</b>	<b>8 506</b>	<b>6 784</b>	<b>(11 510)</b>	<b>3 780</b>

## NOTE 14 ACCRUALS FOR PENSION LIABILITIES

### PENSION LIABILITIES FOR EMPLOYEES IN NORWAY

The pension schemes meet the requirements of the law on compulsory occupational pension and are covered through KLP and Gjensidige. A contractual pension scheme is included in addition.

The pension scheme insured through KLP covers 24 active persons, 452 previously active with deferred rights and a total of 118 retired persons. The schemes give right to defined future benefits. These are mainly dependent on the number of qualifying employment years, salary level at pension age, and the amount of benefits from the National Insurance Scheme. Pension liabilities are based on KLPs actuarial calculations.

The pension scheme insured through Gjensidige is applied for all employees in Norway and Expatriates with NAV-membership younger than 55 years of age as of May 1st, 2016, as well as all new employees. This is a defined contribution pension scheme. The contributions for the retirement savings is 7% of the pensionable salary up to 12 G - of which the employee contributes 2% - and an additional 18,1% for pensionable salary between 7,1 and 12G. This is per default invested in an age adapted investment plan, where the distribution between shares and bonds follows the employee's age at all times; with the option to individually customise the investment plan.

Expatriates without NAV coverage have private pension arrangements, to which they contribute a minimum of 2% of their pensionable salary and NCA contributes an additional 8%.

<b>Pension expenses, defined benefit scheme (KLP)</b>	<b>2019</b>	<b>2018</b>
Present value of pensions earned this year	2 356	2 423
Interest expense on the pension commitment	4 469	4 271
Return on pension funds	(6 438)	(6 013)
Administrative expenses and interest rate guarantee	516	444
Social security fees	127	159
<b>Net pension expenses, defined benefit scheme</b>	<b>1 030</b>	<b>1 283</b>

<b>Pension liabilities</b>	<b>2019</b>	<b>2018</b>
<b>Defined benefit obligation (excl. social security fees) 31.12.</b>	<b>173 871</b>	<b>178 894</b>
Pension funds valued at fair value 31.12.	(159 214)	(150 578)
Unrecognised actuarial gains (losses)	(188)	(8 147)
Social security fees	2 067	3 993
<b>Net pension liabilities</b>	<b>16 536</b>	<b>24 162</b>

<b>Financial assumptions</b>	<b>2019</b>	<b>2018</b>
Discount rate	2,30%	2,60%
Estimated salary increase	2,25%	2,75%
Estimated adjustment of social security base figure	2,00%	2,50%
Estimated adjustment of pension benefits	1,24%	1,73%
Expected return on funds	3,80%	4,30%

### PENSION LIABILITIES FOR NATIONAL STAFF

National staff has pension schemes in accordance with local laws and regulations or Norwegian Church Aid's guidelines for provident funds. The most favourable scheme will be applied. Norwegian Church Aid's pension schemes will normally imply that 17% of the monthly salary will be set aside on a suspended account of which the employee pays 5% and Norwegian Church Aid 12%. When the employee quits, this amount will be disbursed.

	<b>2019</b>	<b>2018</b>
Pension liabilities for employees at Head Office	16 443	24 052
Pension liabilities for national staff at Country Offices	23 490	19 795
<b>Total pension liabilities for Norwegian Church Aid</b>	<b>39 933</b>	<b>43 847</b>



## NOTE 15 **SHORT-TERM LIABILITIES**

	<b><u>31.12.2019</u></b>	<b><u>31.12.2018</u></b>
Accrued, not due wages and salaries, other debt to employees	15 783	13 967
Public duties payable - Country Offices	1 724	1 065
Public duties payable - Norway *	7 008	7 801
Accounts payable	22 674	28 303
Accrued, not due expenses	26 073	20 356
Payable to donors	879	332
Payable to partners	5 021	2 010
Other short-term liabilities	10 902	17 778
<b>Total current liabilities</b>	<b>90 064</b>	<b>91 612</b>

\* Included in the public duties payable in Norway are retained payroll taxes amounting to 4 MNOK. The amount is placed in a restricted bank account reserved for this purpose.

# REPORT OF THE BOARD OF DIRECTORS, 2019

## 1. NORWEGIAN CHURCH AID'S ACTIVITIES

Norwegian Church Aid is a member of the ACT Alliance, one of the world's largest humanitarian coalitions. Together, we work around the world to create positive and sustainable change. Our support is provided unconditionally with no intention of influencing anyone's religious affiliation.

Norwegian Church Aid is an ecumenical diaconal organisation headquartered in Oslo, with offices in 22 countries as well as some in humanitarian operations. We collaborate with civil society organisations, faith-based organisations and other institutions in Africa, Asia, Latin America, Europe and the Middle East. We provide emergency assistance in disasters and work on long-term development in local communities. We lobby governments, business and religious leaders to eliminate the root causes of poverty.

Norwegian Church Aid's work is guided by its global strategy, *Faith in Action*. This defines humanitarian efforts and partnerships with religious actors as the two cornerstones of our work. Our two long-term goals are to save lives and to seek justice. Together, these goals define our work towards a just world.

Many of the countries in which Norwegian Church Aid works are vulnerable, high-conflict countries, and many are afflicted by widespread corruption. The security situation is a growing challenge for both our work and our external communications about it. Norwegian Church Aid is constantly working to address this reality and takes a systematic approach to security. We also work to ensure that the organisation's Code of Conduct and whistleblowing systems are more widely known. Early warning is vital when wrongdoing is suspected, both when it is financial in nature and in the case of suspected abuse and assault.



It has hardly rained in Garowe the last four years, and the refugees in the Jilab refugee camp is walking up the mountain, praying for water, every day. Saido Jama Isse is praying for rain. PHOTO: Håvard Bjelland/Norwegian Church Aid

## Part A

### The work of the Board in 2019

2019 was a normal year. The Board held five ordinary board meetings and discussed 45 items, comprising 21 items requiring a decision, 22 items discussed for information purposes and two process items. The issues the Board focused on in 2019 included a strategy for working with the private sector, adjusting Norwegian Church Aid's security risk threshold, the theme of the Lent campaign for 2021-25 and Norwegian Church Aid's work on control and complaint mechanisms.

The composition of the Board was changed slightly in 2019. Two new board members joined, elected by the Council and the employees, respectively. 2019 was thus a year of consolidation for the Board after the relatively major changes to its composition in 2018. It is important that the Board works well as a team that can in turn help to ensure that the organisation develops well by drawing on the members' different expertise and experience.

In 2019, Board members again made field visits and participated in conferences on behalf of the organisation. Bishop Ingeborg Midttømme took part in a symposium in New York on "The role of religion and faith-based organisations in international affairs", organised by the ACT Alliance and ecclesiastical organisations in cooperation with the UN. A large delegation of Board members visited Israel and Palestine in November.

Norwegian Church Aid's new General Secretary, Dagfinn Høybråten, started to work on 1 April. He was formally appointed at a service in Centralkirken led by Norwegian Church Aid's Chairman of the Board. Before he started the work, an introductory visit was organised to our global partners in Geneva accompanied by the current and previous Chairman of the Board. It is important to see Norwegian Church Aid's work in a larger perspective. The organisation relies on good cooperation between church based actors globally and in the countries in which we work.

The Secretary General has broad experience from government and social engagement, and the Board is pleased with the strong commitment Dagfinn Høybråten has demonstrated since taking up his position as General Secretary of Norwegian Church Aid and that he is making use of his entire range of expertise in his duties. We look forward to good, close communication between the Board and the General Secretary, and between the chairman of the Board and the General Secretary. This will provide a good foundation for our continued work. Norwegian Church Aid's mission is important for the future.



At the GBV centre in Juba, South Sudan, our partner Daughters of Immaculate takes care of the GBV survivors.

PHOTO: Håvard Bjelland/Norwegian Church Aid

At the meeting of the Council in Bergen in May, the General Secretary reported on his introductory meetings with the principals. At these meetings, the free church's national committee repeated its desire for a better ecumenical balance on the Council. The General Secretary presented a proposed solution that was discussed by the Board in September. The proposal, which involved giving two votes to each of the free church congregations, required amendment of the statutes. Bearing in mind the appointment of the Council for a new period from 2020, the Board chose to distribute the item to the Council's members as an item requiring voting by email. Both the Board's process and the proposed amendment were endorsed. The Board wants to ensure that this desired expansion will also lead to an increased awareness of Norwegian Church Aid in the ecumenical community.

In the wake of the peace prize being awarded to Denis Mukwege and Nadia Murad in 2018, there has been a stronger international focus on gender-based violence as a weapon of war. Norway took it upon itself to host a major international conference in Oslo in May on sexualised violence in war and conflict. Norwegian Church Aid was asked to organise a pre-conference event for civil society actors. The organisation's close collaboration with Dr Denis Mukwege at Panzi Hospital in DR Congo over many years also helped to persuade him to take the time off to attend this international conference.

The Council seminar in Bergen became a sort of extension of the conference. The Minister of International Development Dag-Inge Ulstein and two of our partners, Monica Njoroge from FECCLAHA and Rev Ghislain Bafunymbaka Nakabenge from Interfaith Platform in DRC, took part in a debate about "Rape as a weapon in war and conflict", focusing on causes and consequences. Over time, Norwegian Church Aid has accumulated a great deal of expertise on the subject of gender-based violence, and it has been made one of the three global programmes in the new programme framework, which starts in 2020.

At the beginning of the year, the Board was briefed on the new programme framework with its three global programmes and three strategic initiatives. All of the Country Offices have thus prepared their country programmes based on this. The programme framework and country programmes were then used as the basis for a new general application to Norad covering the next few years. In 2019, a new general application was also submitted to the Ministry of Foreign Affairs for our humanitarian efforts with an emphasis on Norwegian Church Aid's water, sanitation and health. It would appear that Norwegian Church Aid is in line to receive NOK 493 million a year from the Norwegian government for the next five-year period.<sup>1</sup> This demonstrates that Norwegian Church Aid is a significant Norwegian aid actor. The increase reflects the conscious effort that has been made over time and means the organisation will have more legs to stand on with respect to income generation.

The Lent and Christmas campaigns are Norwegian Church Aid's two highest profile arenas in Norway where we reach out to the entire country, and where the congregations are our faithful supporters, thus reaffirming Norwegian Church Aid's ecclesiastical roots. The Board is grateful for this important work and impressed by the effort made by the administration in both these campaigns and elsewhere. We are just as impressed by the local commitment demonstrated by congregations, staff and volunteers, as well as by all the individuals who on these two occasions, or on a regular basis, support Norwegian Church Aid's important work.

The Board would also like to highlight the importance of the strategic work that has been carried out throughout the organisation in the past year. This work underscored the organisation's basis and identity and clarified our profile and direction.

It is also important for the Board to express pride in the professional quality of the work that was done, both in the communication with Norwegian supporters and employees, and in the performance of the tasks. When Norwegian Church Aid is both recognized and enjoys respect, it is precisely because of the quality of the work we do.

It is deeply meaningful for the members of the Board to contribute to helping people around the world change their lives and improve their living conditions, either totally or in the form of better services such as water and health, and in this way face life and the future with more hope and expectation. This is how we realise our vision of being a Christian-based international diaconal actor. The Board views all of our work, both the visionary world-changing engagement and the projects that help individual people or groups, in the light of this overarching vision. Through this, Norwegian Church Aid and all of our volunteers and employees are doing God's work.

<sup>1</sup> You can read more about the grants in the first section of Part B.



The Board from left: Ingeborg Midttømme, Tone Lindheim, Sissel Vartdal, Bo Christoffer Brekke, Dagfinn Høybråten (General Secretary), Kjetil Aano (Chair), Ottar Mæstad, Ingrid Erøy Fagervik, Gunn Inger Røkke Ruud (employee representative), Kjetil Drangsholt, Javier Fabra-Mata (employee representative), Embla Regine Mathisen and Kjersti Thoen. PHOTO: Håvard Bjelland/Norwegian Church Aid

## Part B

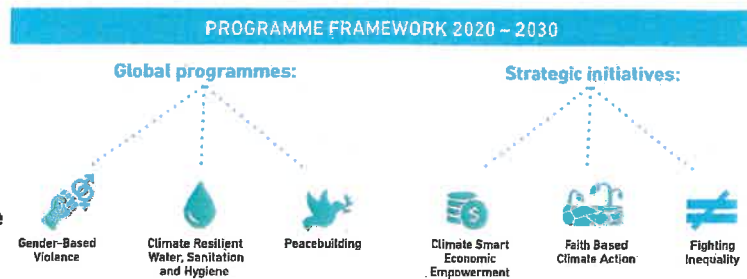
### Results in 2019

#### Programme Framework 2020-2030

NCA finalised its new Programme Framework early in 2019. This framework is valid from 2020-2030, guided by NCA's global strategy, *Faith in Action*, and contributes to the SDGs and the national strategies and plans in the countries where NCA operates. The Programme Framework also responds to priorities identified in the ACT Alliance 2019-2026 global strategy.

Results and lessons learned from previous

strategic periods and key cooperation agreements have informed the creation of the Programme Framework.



All of NCA's programmatic work is built on the Programme Framework, and the ten-year timeframe ensures organisational commitment and predictability for NCA's partners. NCA delivers results through its holistic approach as a development, humanitarian and advocacy actor, includes preparedness and resilience in long-term development programmes and protracted crises, strengthens transition to early recovery in humanitarian responses, and addresses structural inhibitors to solutions. NCA will promote co-localisation of activities in the same geographic area and increase synergies between thematic areas in the new Programme Framework. Working with faith actors and strengthening civil society are emphasised as a global NCA approach and strategic priority, with global goals and compulsory indicators for improved results documentation and informed decision-making.

NCA has selected six thematic areas as priorities under this framework, set up as two levels; Three global programmes and three strategic initiatives. Global programmes are thematic areas with clear possibilities for linking emergency preparedness and response, long-term development and advocacy efforts. They are at the centre of NCA's efforts towards a more just world. The three global programmes for this new period are Peacebuilding, Gender-based Violence and Climate Resilient Water, Sanitation and Hygiene.

Strategic initiatives are areas where NCA wishes to grow, innovate and develop specific methodologies or approaches in the years to come. The three strategic interventions for this period are Climate Smart Economic Empowerment, Faith-based Climate Action and Fighting Inequality.

#### Working with Norad Cooperation Agreement 2020-2024

In 2019, Norwegian Church Aid spent substantial organisational capacity to develop the application for a new partnership agreement with Norad. At the end of the year, Norad awarded NCA with a grant estimated at just over one billion NOK over five years through a new Civil Society Cooperation Agreement. The grant, which is NOK 211,010,000 annually, will finance programmes in 17 countries, in addition to two regional programmes and one global programme, Global Ecumenical Partnerships. NCA received 78 points on Norad's scoring rubric, while the average score among all 15 organisations who applied in 2019 was 63. The application is entitled *Leveraging Faith Towards Inclusive and Just Societies*. Leveraging faith focuses on how we work, and inclusive and just societies articulate the change we want to see in the world. The application responds to Norad's call to strengthen the capacity and ability of civil society in developing countries to promote democratisation, the realisation of human rights and the eradication of poverty within the framework of the UN's Sustainable Development Goals (SDGs). Additionally, NCA submitted an additional 12 applications to Norad outside of the Civil Society Cooperation Agreement, totalling NOK 188 million annually. In March 2020, we received a response to our applications for regional funds with a grant of NOK 131 million (incl. 7 per cent for administration). This is an increase compared with NOK 123 million (incl. 7 per cent for administration) for 2019. Pleasingly, this is now a five-year agreement, which was not the case for regional funds before.

#### Working with Strategic Partnership with the MFA 2020-2023

Based on a global application submitted towards the end of 2019, NCA has also been selected as a strategic humanitarian partner to the Norwegian Ministry of Foreign Affairs (MFA). The annual financial framework of this strategic partnership is NOK 210,000,000. WASH and gender-based violence (GBV) are the two main thematic pillars in this partnership, and NCA was especially commended by the MFA for our work and competence on Sexual and Gender-based Violence (SGBV).

## Programme areas 2019

2019 was the final year of the old programme framework in which we focused on seven thematic areas. Two of these programme areas are presented here: Peacebuilding and Climate Resilience. A broader presentation with the results from all of the programme areas will be provided in the results report to Norad in July.



### Peacebuilding

In 2019, NCA supported community peace structures in Afghanistan, Mali, Pakistan, South Sudan, Ethiopia and in the broader Eastern Africa Region. Women and men participated in conflict transformation activities and convened reconciliation and social cohesion forums, bringing together religious institutions, politicians, women and youth. At least 1700 women in these countries were reached with several women-led initiatives. NCA, in collaboration with the ACT Secretariat and World Council of Churches, also launched its global study on peace structures at the Geneva Peace Week.

In Afghanistan, women in Faryab and Daikundi resolved 720 community-level conflicts. The South Sudan Council of Churches convened 15 reconciliation workshops and peace conferences attended by more than 850 people to address tensions and conflicts between community clans. Across the border, Ugandan women equipped with advocacy and mediation skills, convened workshops for South Sudanese women refugees on gender, peace work, life skills, and contents of the Revitalised Peace Agreement (R-ARCSS) in order to empower a team of mediators to advocate and promote peacebuilding efforts in their home country. In Ethiopia and Burundi, NCA supported religious actors' engagement for peace involving all the major faith communities. National consultations in Ethiopia, brought together the Orthodox Church, muslims, evangelical churches and the Catholic Church; while in Burundi, consultations brought together the catholics, protestants and muslims. Religious leaders were seen talking on social cohesion and violence reduction; including statements through TV, radio and print media.

### Climate resilience

NCA and our partners have in the last few years engaged around 150,000 people, ensuring food security in times of extreme weather conditions, boosting communities' capacity to deal with climate risks and making communities able to protect important infrastructure.

In 2019, 500 communities increased their resilience to disasters and climate change leaving its citizens better off and safer for many years to come. This means that villages that would otherwise be devastated by floods or drought will now only partly be affected. 100,000 rights holders benefited from sustainable land management through climate smart agriculture and reforestation.

### Telethon Campaign Programme (TCP)

2019 was the last year for the use of all fundings from the Telethon Campaign in 2014, and the results of NCA's work have exceeded expectations. The original objective of reaching 1,342,000 people with permanent access to safe water was met in 2017, and preliminary figures indicate that we have reached more than 1,700,000 people in total.

With the TCP funds, Country Offices have worked mostly on water supply, complementing the initiatives funded by other donors on hygiene and sanitation. Where this was not possible, TCP funds have been used also for hygiene and sanitation activities because NCA implements its global WASH programme with a holistic approach; meaning working at the same time and in the same place on the three WASH pillars: water supply, sanitation and hygiene promotion.



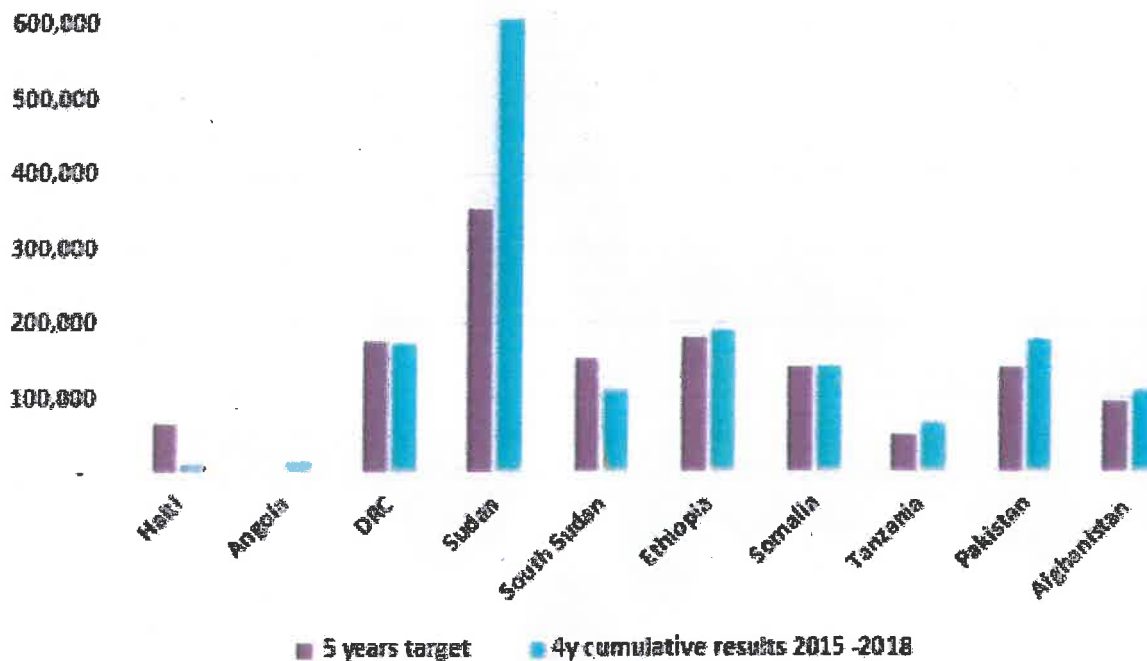
Climate resilience project in Ethiopia, where Tamra, our partner in Shashamane, teaches the young people to use plastic bottles they find to grow vegetables. Kalkidan Gebiremedhn is doing her best. PHOTO: Håvard Bjelland/Norwegian Church Aid



Ikonda, a village in Tanzania, is one of the places which got aid from the telethon in Norway in 2014. Ikonda got safe drinking water and hygiene training. At the school they got new toilet facilities and learned how to prevent deforestation. PHOTO: Håvard Bjelland/Norwegian Church Aid

In the chart below are presented the cumulative results per country from the period 2015-18 compared to the five years target per country, five Country Offices have delivered according to plans and five present relevant deviations.

### Number of people accessing water in 2015-2018 through the Telethon Campaign Programme



### Advocacy work

As part of our effort to be present in arenas where politicians, as well as larger audiences and church networks, are, Norwegian Church Aid took part in both Arendalsuka and Olavsfest. At Olavsfest, we arranged a seminar on the climate and church forests in Ethiopia in which the Ministry of Climate and Environment took part. We were visited by Bishop Aregawi from Ethiopia, and the seminars garnered a lot of interest and participation from the Ethiopian community in Trondheim. A container of photos from the church forests attracted interest and questions from many festival participants. At Arendalsuka Norwegian Church Aid organised or took part in ten events. A number of politicians from various parties participated in the events. NCA prioritised social media during the Arendalsuka, and the magazine Kampanje named Norwegian Church Aid's delegate the "Twitter Queen" of Arendalsuka.



Bishop Aregawi and Yemane Salih from NCA Ethiopia are visiting the NCA church forest exhibition in Trondheim.  
 PHOTO: Håvard Bjelland/Norwegian Church Aid

In November, Norwegian Church Aid took part in the Justice Conference arranged by organisations including the Christian Council of Norway and Mission Alliance. The themes of the conference were the fight against modern slavery, work against inequality and the climate crisis. The conference brought together a broad range of professionals and ecclesiastical employees and volunteers across religious communities and organisations in Norway with a genuine interest in these subjects.

Throughout the year close contact with the various parties in the government and parliament was maintained, and preparations for the general election in Norway in 2021 are well underway. Moreover, NCA has supported advocacy on national, regional and global level through our partners during 2019.



NCA demanded a 53% cut in the Norwegian climate emissions before 2030. The minister of climate and environment Ola Elvestuen received the demands. **PHOTO:** Håvard Bjelland/Norwegian Church Aid

### Climate justice

Norwegian Church Aid raised many subjects in our policy-oriented work in 2019. We particularly focused on a just climate policy. This was the theme of several campaigns and seminars, and thousands of people got involved. Based on the Fair Share report, we lobbied Norwegian politicians to cut Norway's greenhouse gas emissions by at least 53 per cent by 2030. This demand was promoted via the Lent campaign, as described below, via the Climate Pilgrimage and at many events that challenged various politicians to be more ambitious and to put climate targets in place that reflect Norway's fair proportion of greenhouse gas cuts. Many thousands of signatures were collected and presented to the Minister of Climate and Environment Ola Elvestuen at the end of August. The 53 per cent target was also promoted by many others, including climate-striking children and a number of organisations, and gained a lot of attention in the government and parliament. In retrospect, we know that this campaign, together with the major joint initiatives, produced big results. In January 2020, the government adjusted its climate targets upwards to at least 50 per cent and up to 55 per cent of greenhouse gas emissions by 2030!



The Sustainability book was published in Norwegian and English. Anne Marte Sundnes Skaland was one of the editors, here with NCA General Secretary Dagfinn Høybråten.

**PHOTO:** Håvard Bjelland/Norwegian Church Aid

### The Sustainability Book

In 2019, we also saw our The Sustainability Book (Bærekraftsboka) become popular throughout Norway, and subsequently in many other countries. We are proud that The Sustainability Book was translated into English, Chinese and Icelandic in 2019, and demand for it is growing both in Norway and internationally. The book contains theological reflections, prayers, suggestions concerning action and questions for reflection tied to all of the 17 UN Sustainable Development Goals.

### Work against gender-based violence

Another important topic Norwegian Church Aid focused on in 2019 was the work against gender-based violence, including female genital mutilation and other harmful practices. Norwegian Church Aid was invited to organise the civil society portion of the world's first donor conference based on the theme of

sexualised violence in crises. Norway was a host, together with a number of other countries and several UN organisations. 160 organisations took part in the conference. Later in the year, Norway launched an action plan against harmful practices. Norwegian Church Aid took part in the launch. As mentioned earlier, at the Council meeting in Bergen, we arranged a seminar on gender-based violence in crises in which the Minister of International Development Dag-Inge Ulstein took part. At all of these events we had the pleasure of welcoming participation from employees and partners from country offices. In Bergen, people also participated from our church network and followed the discussions with great interest.



### Lent campaign 2019

The Lent campaign 2019 raised NOK 31.5 million. We managed this in a fantastic collaboration with more than 1,200 congregations across the country. The theme of the Lent campaign was about saving lives through access to clean water in the face of climate change. Our examples were taken from Somalia. Young people across the country set themselves ambitious climate goals, at the same time as school strikes for the climate spread throughout our country as in others. They challenged the Norwegian Government to set ambitious climate goals as well.

PHOTO: Norwegian Church Aid



Employees and volunteers, including many from Changemaker met more than 16,000 people in teaching and meeting points across the country. We can also see that the majority of congregations are actively using the resources we have developed and made available for use in faith education on [www.fasteaksjonen.no](http://www.fasteaksjonen.no), which is very valuable. 15,000 people visited our new website, [www.fasteaksjonen.no](http://www.fasteaksjonen.no), and more than 750,000 people were reached through paid-for promotion.

Every year we have between 35,000–40,000 door-to-door fundraisers across the country. An ever increasing number of congregations get the parents of confirmands and others involved together with the confirmands and other children and young people,

which is fantastic. They are demonstrating genuine engagement and faith that they can change the world. In 2019, they raised money for the climate, clean water and Norwegian Church Aid. In a steadily increasing number of local communities, the Lent campaign is becoming an ecumenical mobilisation, which in several places even involves people of different faiths.

In spite of the fact that we are moving in the direction of a society that does not use cash, that has fewer confirmands and that is more secular, the Lent campaign remains a fixed point in this changing society and is one of the main pillars of our networking and fundraising work in Norway, and will be in the future. We are working hard to preserve traditions, while simultaneously running innovative campaigns. 2019 was the year the Vipps money transfer service's results became visible to every congregation 30 minutes after they had knocked on people's doors. They were continuously updated on [www.fasteaksjonen.no](http://www.fasteaksjonen.no), to the great excitement of many congregations. We can see that many congregations managed to turn around the trend from a cash drought and raised a large proportion of their total fundraising via Vipps and text messages.

### Christmas campaign

Congregations are Norwegian Church Aid's most important donors to our Christmas campaign. 807 congregations donated their oblation NOK 11.2 million to Norwegian Church Aid, and this is an important and useful contribution. The long-term focus is on maintaining this tradition and ensuring that it is easy for congregations to support Norwegian Church Aid's work. In 2019, we also contacted the free congregations to encourage more of them to take part in the campaign. The year's Christmas campaign had the same theme as before, *A child is born, give them a future as a Christmas gift*. In connection with the year's campaign, a new design for the webshop, *Gaver som forandrer verden (Gifts that change the world)* was launched, which provides more space to report on good stories. The Christmas campaign also saw the start of a joint project with DanChurchAid from Denmark, a knitting kit with a goat pattern designed by Arne & Carlos. This was sold in both the webshop and in knitting shops across the country. The project resulted in good publicity with a six-page spread at home with Arne&Carlos report in the magazine *Allers* and a four-page spread at home with Dagfinn Høybråten report in the magazine *Se&Hør*.



Lite Caaltuu is one day old, conceived at the Mea Oda Hospital in Shashamane, Ethiopia. 20 year old Fatoma Fayasa is the proud mother.

PHOTO: Håvard Bjelland/Norwegian Church Aid

## Part C

### Management and control

The daily management of the organisation is conducted from Head office in Oslo by the Secretary General through a line management. Norwegian Church Aid's mission to administer funds, personnel resources and programme work in the best possible way, happens every day through dedicated, professionally competent and engaged co-workers.

In 2019, we spent the year working continuously on administration systems and digital tools to ensure Norwegian Church Aid is better equipped to perform its work. This particularly applies to the global accounting system, Maconomy, which underwent comprehensive updating in 2019. This will be implemented at Head Office and in all country offices from 1 January 2020 onwards.

#### Compliance

The need for, and attention paid to, compliance in Norwegian Church Aid is growing. Compliance risk is the risk of violating laws, regulations, internal policies and procedures, donor requirements, standards and our industry's code of conduct, as well as the risk of not fulfilling our obligations towards rightsholders. Our partnership model and the context we operate in challenge the organisation's ability to ensure compliance with financial, procurement, anti-corruption and terrorist financing legislation, as well as our obligations to rightsholders. Norwegian Church Aid has strengthened the capacity and improved cooperation in response to managing these challenges. Our compliance monitoring activities involve both periodic and ongoing assessments to verify our compliance, including ensuring that the control mechanisms for managing compliance risk are in place and functioning as intended.

#### Carbon footprint

Norwegian Church Aid's goal is to reduce our carbon footprint. In 2019, we reduced our CO<sub>2</sub>-emissions from flights by 21 per cent from 2018. Climate change is a top priority these days. We all need to act and, as an aid organisation, we need to consider how much pollution we cause in the process of saving lives and seeking justice. As an organisation, Norwegian Church Aid has taken some important steps to reduce our environmental impact. Our goal is to become more sustainable in several ways. Travel is a big part of the picture. This work will continue in 2020.

#### Risk assessments and safety

Norwegian Church Aid defines risk as the possibility of an event occurring and adversely affecting the attainment of Norwegian Church Aid's goals. Our risk assessments provide the basis for determining how we manage risk. Control activities that help to mitigate risk are described in policies, procedures and standards, and are performed at all levels of the organisation. In 2019 new analyzes and new routines have been developed to improve our work on managing security risk, with a particular focus on the work abroad.

#### Anti-corruption work

Norwegian Church Aid practises a policy of zero tolerance in relation to corruption. Strict and robust control procedures are in place and internal and external complaints are investigated efficiently while maintaining the confidentiality of the parties involved. We have a transparent and constructive dialogue with our donors. The report on Corruption and Asset Misappropriation in 2019 has been submitted to the Norwegian government, and has also been published on our website. Our anti-corruption capacity was comprehensively reorganised in 2019. This, along with the increase in staff numbers, means our capacity for *prevention work*, *control work* and *capacity building* have been significantly reinforced. We work on four levels within anti-corruption: prevention, detection, management and learning.

#### Internal matters

In the autumn of 2019 a working environment review was carried out; Great place to work. Improvement measures were defined and will be followed up on quarterly basis in the Working Environment Committee, which meets every month. There is also a good and open current dialogue between the unions and the management – who also meet on a regular basis in the Corporate Committee.

## 2. THE ACCOUNTS FOR THE YEAR

The total incoming resources in 2019 amounted to 1 019 MNOK. 56% of the funding came from Norwegian government agencies, 25% from other organisations and institutions, 16% were donations and 2% came from other sources. This income structure shows an increase in funding from other organisations compared to previous years, and a reduction of the share of funding originating with the Norwegian government.

In 2019 957 MNOK of expenses were incurred, of which 95% were used to fulfil NCA's mandate or obtain new funding. The annual accounts have been prepared in compliance with the Norwegian Accounting Act and Norwegian accounting standards for NGOs.

The annual result totaled minus 34 MNOK. 35 MNOK of this is due to earmarked donations received in previous periods and spent during 2019, e.g. TV Telethon funding. The unrestricted funds showed a surplus and were increased by 1 MNOK.

The liquidity is good; the net cash flow is negative but differs from the annual result due to invested capital sold off to finance activities, as well as changes in other current balance sheet items.

## 3. WORKING ENVIRONMENT

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

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

There was a rate of 4.86% sick leave at the Head Office in 2019 compared to 3.5% in 2018.

As of December 31<sup>st</sup> 2019, Norwegian Church Aid had 138 permanent and 20 temporary employees at the Head Office, compared to 132 permanent and 17 temporary employees as of December 31<sup>st</sup> 2018.

Member of staff in the period 2013-2019:

Year	2013	2014	2015	2016	2017	2018	2019
<b>Permanent Positions Head Office</b>	137,7	144,2	136,6	142,3	136,9	132	138
<b>Temporary Project Positions Head Office</b>	0,6	7,0	8,4	11	7	17	20
<b>Total Head Office</b>	138,3	151,2	145,0	153,3	143,9	149	158
<b>NRK Telethon 2014</b>	0	12,0	0	0	0	0	0
<b>Positions in Country Offices on contract from Head Office</b>	47,0	53,0	45,0	47,0	42,5	42	46
<b>Positions with home-based expatriate contracts</b>	n/a	n/a	n/a	n/a	n/a	n/a	6
<b>Positions in Country Offices on local contract</b>	768	669	629	541	523	613	634

By the end of 2019 Norwegian Church Aid employed 158 members of staff at the Head Office. They were distributed between the various departments as follows:

Employees per department (HQ)	Per 31.12.2018	Per 31.12.2019
Department of International Programmes	55	57
Department of Communications	13	14
Marketing Department	28	28
Department for Human Resources	11	11
Department of Finance	31	35
Department for Politics and Society	9	10
Secretariat	2	3

Our staff members around the world are localised as follows:

	2016	2016	2017	2017	2018	2018	2019	2019
	Expats	Local	Expats	Local	Expat	Local	Expat	Local
Afghanistan	2	48	2	50	2	33	4	41
Angola	1	11	1,5	16	3	17	2	18
Bangladesh	0	0	1	0	2	0	3	0
Brazil	0	0	0	0	0	0	0	0
Burundi	1	13	1	18	1	15	1	16
DR Congo	2	28	1	18	1	21	2	19
Ethiopia	2	41	2	44	2	43	3	56
Guatemala	0	8	0	0	0	0	0	0
Greece	3	0	0	0	0	0	0	0
Haiti	3	12	0	0	0	0	0	0
Jordan	4	4	5	4	6	5	5	6
Kenya	1	10	1	10	1	11	1	9
Laos	0	0	0	0	0	0	0	0
Malawi	1	18	1	17	1	23	1	24
Mali	1	36	1	50	1	50	1	45
Myanmar	1	4	0	0	0	0	0	0
Nepal	0	0	0	0	0	0	0	0
Northern Iraq	6	21	4	20	3	84	5	51
Niger	0	0	2	0	1	8	0	0
Nigeria	0	0	3	0	1	18	3	32
Pakistan	1	25	1	23	1	22	1	19
Palestine and Israel	0	0	0	0	0	0	0	0
Serbia	0	0	0	0	0	0	0	0
Somalia	0	15	0	14	0	17	0	19
South Africa	1	5	0	3	0	2	0	2
South Sudan	5	69	6	68	6	72	5	79
Sudan	3	127	4	127	4	128	7	137
Switzerland	3	0	3	0	0	0	0	0
Syria/Tyrkey	0	0	0	0	0	0	0	0
Tanzania	4	21	1	19	1	19	1	19
Vietnam	1	5	0	3	0	3	0	0
Zambia	1	20	2	19	1	22	1	42
<b>TOTAL</b>	<b>47</b>	<b>541</b>	<b>42,5</b>	<b>523</b>	<b>38</b>	<b>613</b>	<b>46</b>	<b>634</b>

## 4. EQUAL OPPORTUNITY

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

The gender breakdown of employees shows 60% women and 40% men at Head Office, and 37% women and 63% men at the Representations (including employees on contract from Head Office). The senior management team is made up of 57% women and 43% men and division leaders consist of 62% women and 38% men. The Board consists of 58% women and 42% men.

Total	Head Office		Country Offices	
	Female	Male	Female	Male
Managers	64 %	36 %	36 %	64 %
Staff	59 %	41 %	30 %	70 %

## 5. PROSPECTS FOR THE NEXT YEAR

During 2020, the organisation will focus on three strategic priorities:

### 1. A sustainable NCA

By December 31<sup>st</sup> 2020, NCA is at the forefront in becoming more sustainable by transforming our operational and programmatic environmental footprint.

### 2. An implemented programme framework

By December 31<sup>st</sup> 2020, NCA has clarified roles and strengthened compliance by adopting new tools and structures, as part of the new programme framework implementation.

### 3. A digitalised NCA

By December 31<sup>st</sup> 2020, NCA has increased the digital literacy within the organisation and implemented our key digitalisation projects according to plan.

## 6. GOING CONCERN EXPECTATION

The annual accounts are based on the assumption that Norwegian Church Aid is a going concern. The organisation has neither the intention nor the need to liquidate or curtail materially the scale of operations. This expectation is based on the forecast for 2020 and long-term strategic plans. The organisation is in a sound financial position.

### Response to the Covid-19 pandemic

With regards to the ongoing Covid-19 pandemic, NCA's designated task force and NCA country offices are monitoring the situation closely. Basic workplace preventive measures have been put in place, employees in several countries, including Norway, are currently working from home to reduce spread, and other measures are updated daily according to the situation in the area of operations. International travel is reduced to essential only.

As a humanitarian organisation with a major focus on GBV and water, sanitation and hygiene; NCA – in cooperation with local authorities, faith actors, and national civil society organisations – has a relevant role to play in the response to this global outbreak. We are in dialogue with various institutional donors regarding funding of activities to combat the outbreak, and own unrestricted funds have been mobilised to cover the first phase interventions in several countries.

NCA is in a sound financial position. We are expecting the current economic situation in Norway to affect our incoming voluntary donations from the Norwegian public, but will be able to use our accumulated funds to keep activities running at a high level. Financial assets are expected to lose value, but as per now the cash flow is good and we don't plan on realising any sales or losses. The weakened NOK compared to EUR and

USD can impact available funds to our projects and partners, but budgets and plans will be revised to stay relevant to the changing situations. We have sound experience with remote monitoring from countries such as Afghanistan and Somalia, which can be put to good use to mitigate any potential reduced mobility and access to project areas due to this pandemic. Instability in banking services are likely to occur in certain countries, and preventive measures have been taken in this regard.

## 7. ENVIRONMENTAL CONSIDERATIONS

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

## 8. RISK MANAGEMENT

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

We strive for efficiency and quality starting from the planning phase through the implementation and reporting of all our projects. Moreover, we meet – and quickly resolve – challenges associated with corruption, fraud and mismanagement by putting in place strict procedures, carrying out external audits, as well as closely following up when these instances occur. Norwegian Church Aid annually presents a report of fraud and corruption cases that the organisation has faced each year. The report *Norwegian Church Aid on Anti-corruption 2019* is published on the NCA website and distributed to Norwegian authorities. Transparency is an important part of Norwegian Church Aid's work against corruption, and also contributes to reducing the risks that fraud and corruption presents.

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

## 9. CONCLUSION

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

Oslo, April 29<sup>th</sup> 2020

Kjetil Aano Chair of the Board	Sissel Vartdal Deputy chair of the Board	Kjetil Drangsholt Board member
Tone Lindheim Board member	Ingrid Erøy Fagervik Board member	Ottar Mæstad Board member
Bo Christoffer Iwar Brekke Board member	Ingeborg S. Midttømme Board member	Kjersti Thoen Board member
Embla Regine Mathisen Board member	Javier Fabra Mata Board member	Gunn Inger Røkke Ruud Board member
	Dagfinn Høybråten General Secretary	

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## Gunn Inger Røkke Ruud

Board member

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## Kjersti Thoen

Board member

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## Dagfinn Høybråten

General Secretary

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## Sissel Vartdal

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## Ingeborg Synøve Midttømme

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## JAVIER MATA FABRA

Board member

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## Ingrid Erøy Fagervik

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## Embla Regine Mathisen

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## Ottar Mæstad

Board member

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## Independent Auditor's Report

To the Supervisory Board of Kirkens Nødhjelp/ Norwegian Church Aid

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Kirkens Nødhjelp/ Norwegian Church Aid.

#### The financial statements comprise:

- The balance sheet as at 31 December 2019
- The activity accounts for 2019
- Statement of cash flows for the year that ended 31 December 2019
- Notes to the financial statements, including a summary of significant accounting policies

#### In our opinion:

The accompanying financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Board of Directors and the Secretary General for the Financial Statements

The Board of Directors and the Secretary General (management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

## Report on Other Legal and Regulatory Requirements

#### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

#### Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial



Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Society's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

BDO AS

Erik Lie  
State Authorised Public Accountant  
(This document is signed electronically)

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## Erik Helge Lie

Partner

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# NORWEGIAN CHURCH AID'S ORGANISATION CHART AS OF 31.12.2019

