

2020 ANNUAL REPORT

AND FINANCIAL STATEMENTS
FROM NCA BOARD OF DIRECTORS



NORWEGIAN CHURCH AID
actalliance





FRONT: Dibeh Reme and her granddaughter Zahra's sit and watch while Norwegian Church Aid's partner distributes hygiene products and tells about how important good hand hygiene is now during the corona crisis, in the Kfar Zabad camp in Bekaa in Lebanon.

PHOTO: Jad Jbara

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STATEMENT OF FINANCIAL ACTIVITIES 2020

<i>(NOK '000)</i>	Notes	2020	2019
INCOMING RESOURCES			
Institutional grants			
Norad - The Norwegian Agency for Development Cooperation		351 436	352 414
MFA - The Norwegian Ministry of Foreign Affairs		269 480	183 427
Other Norwegian government agencies		2 660	4 186
<u>Administrative support from Norwegian government agencies</u>		<u>43 751</u>	<u>34 573</u>
Subtotal Norwegian government agencies	2	667 327	574 600
UN - United Nations Programmes		99 310	62 833
ACT Alliance and other ACT sister organisations		43 383	48 130
Other organisations, foundations and institutions		24 446	23 823
Non-implementing private foundations and businesses		11 829	8 309
EU Institutions		32 294	38 997
Non-Norwegian Government Agencies and Embassies		47 827	60 601
<u>Administrative support from UN, ACT and other institutions</u>		<u>12 794</u>	<u>10 651</u>
Subtotal UN, ACT and other institutions	3	271 884	253 344
Total institutional grants		939 211	827 944
Donations			
Unrestricted donations		140 870	147 002
Restricted donations		11 812	6 784
<u>Testamentary donations and legacies</u>		<u>8 757</u>	<u>14 246</u>
Total donations	4	161 439	168 032
Investment income		7 851	12 335
Other incoming resources		9 799	10 241
TOTAL INCOMING RESOURCES		1 118 300	1 018 552
RESOURCES EXPENDED			
Costs of generating other donations		47 368	45 935
Long-term development cooperation		525 799	566 834
Humanitarian assistance		420 102	330 241
<u>Advocacy for global justice</u>		<u>44 612</u>	<u>59 714</u>
Total international cooperation	5	990 514	956 789
Governance costs	6	46 788	49 974
TOTAL RESOURCES EXPENDED		1 084 669	1 052 697
NET INCOME (EXPENDITURE) FOR THE YEAR		33 631	(34 146)
Net movement in funds			
Transfer to (from) unrestricted funds		29 472	1 012
Transfer to (from) funds with internally imposed restrictions		0	0
<u>Transfer to (from) funds with externally imposed restrictions</u>		<u>4 159</u>	<u>(35 158)</u>
Total net movement in funds	13	33 631	(34 146)

BALANCE SHEET AS PER 31 DECEMBER 2020

(NOK '000)	Notes	<u>31.12.2020</u>	<u>31.12.2019</u>
ASSETS			
Tangible fixed assets	9	46 892	48 430
Subtotal fixed assets		46 892	48 430
Stocks	10	1 705	2 447
Debtors	11	194 166	126 628
Investments	12	104 139	106 607
Cash at bank and in hand	15	262 016	196 333
Subtotal current assets		562 025	432 015
TOTAL ASSETS		608 917	480 445
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted funds		182 105	152 632
Funds with externally imposed restrictions		14 192	10 033
TOTAL FUNDS	13	196 297	162 665
LIABILITIES			
Accruals for pension liabilities	14	33 243	39 933
Total long-term liabilities		33 243	39 933
Project balances, advances from donor		278 129	187 783
Other short-term liabilities	15	101 248	90 064
Total short-term liabilities		379 378	277 846
TOTAL LIABILITIES		412 620	317 779
TOTAL FUNDS AND LIABILITIES		608 917	480 445

Oslo, April 26 2021

.....
Kjetil Aano
Chair of the Board

.....
Ottar Mæstad
Board member

.....
Vegard Kolbjørnsrud
Board Member

.....
Tone Lindheim
Deputy chair of the Board

.....
Bo Christoffer Iwar Brekke
Board member

.....
Embla Regine Mathisen
Board member

.....
Kjetil Drangsholt
Board member

.....
Herborg Finnset
Board member

.....
Siv Øystese
Board member

.....
Ingrid Erøy Fagervik
Board member

.....
Kjersti Thoen
Board member

.....
Gunn Inger Røkke Ruud
Board member

.....
Dagfinn Høybråten
General Secretary

CASH FLOW STATEMENT 2020

<i>(NOK '000)</i>	<u>2020</u>	<u>2019</u>
Cash flow from operating activities		
Net incoming (outgoing) resources	33 631	(34 146)
Depreciation of fixed assets	9 717	14 442
Difference between pension contribution and current service costs	(6 521)	(3 914)
Changes in other current balance sheet items	34 567	(48 236)
Net cash inflow from operating activities	<u>71 394</u>	<u>(71 853)</u>
Cash flow from investing activities		
Purchase of tangible fixed assets	(9 828)	(16 214)
Disposal of tangible fixed assets	1 649	2 818
Change in net investment in financial assets	2 469	59 774
Net cash flow from investing activities	<u>(5 710)</u>	<u>46 377</u>
Cash flow from financing activities		
Repayment of long-term and short-term loans	0	0
Net cash flow from financing activities	<u>0</u>	<u>0</u>
Net cash flow during the year	<u>65 683</u>	<u>(25 476)</u>
Cash at bank and in hand at Jan 1.	196 333	221 809
Cash at bank and in hand at Dec 31.	<u>262 016</u>	<u>196 333</u>
This consists of:		
Cash at bank and in hand	<u>262 016</u>	<u>196 333</u>

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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 Department 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 2020, a total net currency gain of 46 MNOK has been debited 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 were monitoring the situation closely. Basic workplace preventive measures have been put in place, employees in several countries, including Norway, were working from home to reduce spread, and other measures made according to the situation in the area of operations. International travel was reduced to essential only.

NOTE 2 FUNDING FROM NORWEGIAN GOVERNMENT AGENCIES

	International cooperation		Activities in Norway		Administrative support		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Norad Civil Society	208 935	194 416		796	15 161	13 578	224 096	208 789
Norad Other	11 342	14 172			509	1 129	11 852	15 302
Norad Regional	128 122	139 921			10 093	8 472	138 215	148 393
Norad Information Support	0		3 036	3 109	209	209	3 246	3 319
Subtotal Norad	348 400	348 509	3 036	3 905	25 972	23 388	377 409	375 802
MFA Strategic Partnership	151 072				13 738	10 728	164 810	0
MFA Norway HUM grants other	71 234	171 878			1 643		72 877	182 607
MFA Embassies	47 173	11 548			2 360	335	49 533	11 884
Subtotal MFA	269 480	183 427	0	0	17 740	11 064	287 220	194 491
FHI - Norwegian Institute of Public Health	407	1 461				74	407	1 534
FK - The Norwegian Peace Corps	0	27					-	27
DIKU - Direktorat for internasjonalisering og kvalitetsutvikling i høyere utdanning	2 253	2 699			39	47	2 291	2 746
Subtotal other Government Agencies	2 660	4 186	0	0	39	120	2 699	4 307
Total funding from Norwegian Government Agencies	620 539	536 122	3 036	3 905	43 751	34 573	667 327	574 600

In 2020, NCA and Norad entered into a new five-year Cooperation Agreement covering the period 2020-2024, funding NCA's activities with approximately NOK 350 million per year through three main mechanisms: 1) Civil Society global grant 2) Regional grants; and 3) Minorities of Faith and Belief grants. In addition to the multi-year grants, Norad has in 2020 awarded NCA four shorter term addendum agreements. Of these, a total of NOK 25 million dedicated to fight Covid-19 in DRC, Sudan, Mali, and South Sudan. Two grants were awarded towards building civil society in Sudan and for GBV-research in Ethiopia.

NCA signed a Strategic Partnership Agreement with MFA in 2020, for a four-year period from January 2020 through December 2023. The annual financial frame for the agreement is NOK 210 mill. per year, including flexible funds. NCA's two cooperation agreements with MFA on WASH and GBV had partial extension into 2020.

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

	2020	2019
WFP - World Food Programme	31 101	2 131
UNICEF - United Nations Children's Fund	23 621	19 234
UNHCR - United Nations High Commissioner for Refugees	17 956	19 524
OCHA - United Nations Office for the Coordination of Humanitarian Affairs	11 040	11 809
UNDP - United Nations Development Programme	10 565	5 785
UN Women	2 779	1 016
UNFPA - United Nations Population Fund	1 207	3 335
UNCDF - United Nations Capital Development fund	747	
IOM - International Organization for Migration	294	
Subtotal UN - United Nations Programmes	99 310	62 833
DCA - DanChurchAid (Denmark)	11 807	22 789
ACT Alliance	8 867	3 326
ICCO - Interchurch Organisation for Development Cooperation	8 302	
CA - Christian Aid (UK)	6 855	5 343
CoS - Church of Sweden	5 285	11 274
Diakonia Sweden	1 469	3 834
FCA - Finn Church Aid	520	
HIA - Hungarian Interchurch Aid	278	
BftW - Bread for the World (Germany)	0	1 281
LWF - Lutheran World Federation	0	284
Subtotal ACT Alliance and other ACT sister organisations	43 383	48 130
The Global Fund to Fight AIDS, Tuberculosis and Malaria	7 643	6 913
CRS - Catholic Relief Services	6 537	3 120
DF - Development Fund	3 180	1 939
CAFOD - Catholic Agency for Overseas Development	2 838	4 754
Aidsfonds Netherlands	1 598	5 265
FORUT Campaign for development and solidarity (Norway)	1 227	749
Atlas Alliance	1 026	0
ASI - Agribusiness Systems International	219	0
NRGI - Natural Resource Governance Institute (RWI - Revenue Watch Institute)	215	210
Norwegian Hull Club	114	
Juba shared cost - rental income	89	0
Initiative for Peace East Africa (Currency USD)	57	0
Langora kaffe	14	
DVV - Institute for International Cooperation of the German Adult Education Association	0	781
The Norwegian Mission Alliance	0	89
NFF - Football Association of Norway	0	29
NAD/NHF - Norwegian Association of Disabled	0	(24)
Strømme Foundation (Norway)	(311)	0
Subtotal Other organisations, foundations and institutions	24 446	23 823

Grundfos (Pouls Due Jensen) Foundation	6 011	867
AcT - Accountability in Tanzania Programme	3 919	3 844
Allan Family of Australia	1 635	1 742
Bill and Melinda Gates Foundation	255	
Knorr-Bremse Global Care	8	961
Bright Products AS	1	279
BBC Media Action	0	190
OSISA - The Open Society Initiative for Southern Africa	0	426
Subtotal Non-implementing private foundations and businesses	11 829	8 309
EU - EuropeAid	17 296	16 012
ECHO - European Commission Humanitarian Aid and Civil Protection	14 998	22 985
Subtotal EU Institutions	32 294	38 997
USAID/OFDA - United States Agency for International Development / Office of Foreign Disaster Assistance	13 557	13 777
GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit	13 513	15 629
Ministry of Foreign Affairs Netherlands	7 966	11 993
DFID - Department for International Development UK	5 462	10 266
Embassy of The Netherlands in Bamako, Mali	4 926	8 936
Camões Instituto da Cooperação e da Língua, I.P	1 418	
SDC - Swiss Agency for Development and Cooperation	985	
British Embassy Kabul	0	0
Subtotal Non-Norwegian Government Agencies and Embassies	47 827	60 601
Subtotal other organisations, foundations and governments	259 090	131 729
Administrative support from other organisations	12 794	10 651
Total funding from other organisations	271 884	253 344

NOTE 4 DONATIONS

Unrestricted donations	2020	2019
Regular donors	77 452	73 663
Other donations	12 306	10 363
Donor campaigns	11 374	11 311
Web shop / alternative gifts	4 621	4 029
Anniversary and remembrance gifts	917	841
Individual donors	106 669	100 208
Lenten campaign	25 684	32 425
Church offerings	5 266	12 487
Congregations and communities	30 950	44 913
Sponsor revenue	2 327	769
Payroll donations from company employees	881	1 045
Advertisements sales	43	66
Private sector	3 251	1 881
Subtotal unrestricted donations	140 870	147 002
Restricted donations		
Lebanon Humanitarian Response	5 155	
Corona Response	303	
Refugees Europe 2015	198	221
Sahel Drought 2017	86	217
Fundraising campaigns	5 742	439

Restricted donations cont.	2020	2019
Somalia, Job creation, Anti-Piracy Project	1 157	70
Ethiopia, Water Development Project	754	617
DR Congo, Rehabilitation of the Maternity ward at Bideka	552	
Tanzania, Water, sanitation and hygiene	537	1 424
Ethiopia, Safe Space: Accelerating action to ensure the wellbeing of adolescents	449	661
Zambia, Human Rights and Sexual Reproductive Health Rights for Girls and Women	395	
Ethiopia, Strengthened Climate Resilience for rural Ethiopian Communities (Food security, Samre)	385	321
Nigeria, Humanitarian Response – GBV & Hygiene for Internal Refugees in Borno	368	
Palestine, Vocational training programme	346	284
Haiti, Education/Youth (WASH), Green Schools	250	763
Tanzania, Micro Investing Support Activities	230	
Brazil, Football and citizenship	195	235
Global, Emergency response partner *	149	(689)
DR Congo, Support to Transit Centre Dorcas House	140	141
Ethiopia, Church forest conservation	55	140
Malawi, Saving lives through quality health care - Christmas Campaign	47	77
Mali, Girls in Boghassa, Kidal	37	
Brazil, Co-existence with the semi-arid	12	14
Ethiopia, Waste for Value	8	
Ethiopia, Water, hygiene and sanitation in Ankober and Woreda	5	499
Romania, Dignified living conditions, equal access to economic opportunities and improved citizen participation of Roma people	1	15
Malawi, Emergency response to floods in Nsanje	0	1 180
Afghanistan, Promoting youth leadership and a culture of peace through sports	0	230
Zambia, Sexual reproductive health rights for adolescent girls and young women	0	204
Tanzania, Support to Haydom Lutheran hospital	0	92
Zambia, Community Schools in Livingstone	0	24
Northern Iraq, WASH Assistance to conflict affected people	0	12
Zambia, Climate, Mumbeki Climate Resilience Project	0	1
Other project donations (less than 50.000 NOK per project)	0	30
Project donations	6 070	6 345
Subtotal restricted donations	11 812	6 784
Testamentary donations and legacies	8 757	14 246
Total donations	161 439	168 032

* 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	2020	2019	Region/Country	2020	2019
Eastern Africa			Middle East		
Burundi	14 953	15 451	Afghanistan	48 580	40 470
Democratic Republic of the Congo	47 203	44 547	Iraq	37 766	36 236
Eritrea	109	281	Lebanon	40 880	27 874
Ethiopia	46 508	70 891	Pakistan	19 231	25 464
Kenya	6 894	(2)	Palestine	23 257	15 062
Somalia	69 658	53 221	Syria	40 453	33 891
South Sudan	63 089	80 617	Total Middle East	210 168	178 998
Sudan (excl. Darfur)	34 805	24 097	South East Asia		
Sudan (Darfur region)	51 140	51 427	Myanmar	12 568	13 809
Tanzania	47 938	48 813	Bangladesh	11 801	12 862
Regional Eastern Africa	0	6 806	Vietnam	0	3 226
Total Eastern Africa	382 297	396 149	Philippines	0	165
Southern Africa			Total South East Asia	24 370	30 062
Angola	31 251	47 908	Total Middle East and South East Asia	234 537	209 060
Botswana	362		Latin America		
Malawi	62 078	34 858	Brazil	199	307
Mozambique	593		Guatemala	4 859	5 371
South Africa	4 052		Haiti	9 237	9 719
Zambia	39 290	42 914	Venezuela	3 500	
Zimbabwe	1 950		Total Latin America	17 795	15 397
Regional Southern Africa	0	7 229	Europe (excluding Norway)		
Total Southern Africa	139 576	132 910	Romania	(93)	2 408
West and Central Africa			Serbia	267	0
Mali	47 288	57 325	Regional Europe	0	355
Western Sahara	0	174	Total Europe (excluding Norway)	174	2 763
Niger	0	3 832	Norway*	24 130	23 615
Nigeria	21 232	29 738	Global	123 483	85 826
Total West And Central Africa	68 521	91 068	Total International Cooperation	990 514	956 789
Total Africa	590 394	620 127			

* 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	2020	2019	Note
Personnel cost	31 340	28 621	a)
Depreciation of fixed assets	4 995	4 703	
Fees for auditors, legal advisors and consultants	1 930	3 195	
Travel expenses	324	1 204	
IT and communication expenses	7 342	6 149	
Office running cost and expenses related to premises	2 638	2 383	
Financial expenses	(4 350)	459	
Other expenses	2 568	3 260	
Total governance cost	46 788	49 974	

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

	2020		2019		2018		2017		2016	
Share, governance costs	46 788	4,3 %	49 974	4,7 %	52 191	5,2 %	50 790	5,2 %	66 440	6,9 %
Share, international cooperation	990 514	91,3 %	956 789	90,9 %	896 477	90,0 %	876 874	90,0 %	853 333	88,6 %
Share, fundraising costs	47 368	4,4 %	45 935	4,4 %	47 044	4,7 %	47 120	4,8 %	42 815	4,4 %
Total resources expensed	1 084 669	100,0 %	1 052 697	100,0 %	995 713	100,0 %	974 785	100,0 %	962 587	100,0 %
Fundraising ratio	<u>70,7 %</u>		<u>72,7 %</u>		<u>70,8 %</u>		<u>72,8 %</u>		<u>73,6 %</u>	

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

NOTE 7 AUDITORS' REMUNERATION

Auditors' remuneration (incl. VAT)	2020	2019
Ordinary auditor's remuneration, Head Office	484	476
Project audits, Head Office	2 147	982
Other services and support from auditor	23	81
Ordinary auditor's remuneration and project audits at Country Offices	4 534	4 005
Total costs to auditors	7 189	5 544

NCA's group auditor is BDO.

Ordinary auditor's remuneration includes both final invoices for the 2019 audit as well as on account invoices for the 2020 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	
	2020	2019	2020	2019	2020	2019
Wages and salaries	82 113	83 379	187 882	161 164	269 994	244 543
Social security costs	14 478	12 815	8 431	11 300	22 909	24 115
Pension costs	5 146	6 355	9 662	8 324	14 807	14 679
Other remuneration	1 604	2 147	9 085	3 998	10 689	6 145
Payroll costs	103 341	104 697	215 059	184 786	318 400	289 483
Consultants	77	1 761	781	9 900	858	11 661
Other personnel related costs	2 509	4 472	-1 818	2 964	691	7 436
Indirect personnel costs	2 586	6 233	-1 036	12 864	1 549	19 097
Total personnel costs	105 927	110 930	214 023	197 650	319 950	308 580

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	31.12.2020	31.12.2019
Permanent positions at Head Office	144,0	138,0
Temporary positions at Head Office	14,0	20,0
Expatriate positions at Country Offices	64,0	46,0
National staff at Country Offices	558,0	634,0
Total number of employees	780,0	838,0

Emoluments for executive managers (General Secretary)	2020	2019
Wages and salaries	1 191	1 141
Pension costs	174	97
Other remuneration including travel compensation	17	28
Total emoluments for executive managers (General Secretary)	1 382	1 265

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

NOTE 9 FIXED ASSETS

	Buildings			Motor Vehicles			Office and staff house furnitures (incl. Art)			Permanent buil	
	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Count Office
Cost price 01.01.20	49 042	19 004	68 046	0	24 598	24 598	901	5 566	6 467	19 144	
This year's additions		259	259		1 080	1 080	63	1 249	1 312	0	
This year's disposals		(17)	(17)		(536)	(536)		(684)	(684)		
Cost price 31.12.20	49 042	19 246	68 287	0	25 141	25 141	964	6 131	7 095	19 144	0
Accumulated depreciation 01.01.20	(12 314)		(12 314)	0		0	(383)		(383)	(12 626)	
This year's depreciation	(1 029)		(1 029)	0		0	(88)		(88)	(1 064)	
Accumulated depreciation 31.12.20	(13 343)	0	(13 343)	0	0	0	(471)	0	(471)	(13 690)	0
Accumulated impairment 01.01.20		(19 004)	(19 004)		(24 598)	(24 598)		(5 566)	(5 566)		0
This year's impairment		(242)	(242)		(544)	(544)		(564)	(564)		0
Accumulated impairment 31.12.20		(19 246)	(19 246)		(25 141)	(25 141)		(6 131)	(6 131)		0
Booked value 31.12.20	35 699	0	35 699	0	0	0	493	0	493	5 454	0
Economic lifetime	50 years			5 years			10 years/5years			20 years	

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.

2020 exchange rates are used for incoming balances, which explains why they differ from closing balances 2019 in last year's financial statements.

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
	19 144	9 003	9 291	18 294	360	10 099	10 459	0	12 262	12 262	78 450	80 819	159 269
	0	3 683	1 568	5 252	(0)	1 586	1 586	0	339	339	3 747	6 081	9 828
	0		(349)	(349)		(62)	(62)		0	0	0	(1 649)	(1 649)
	19 144	12 687	10 510	23 196	360	11 623	11 984	0	12 600	12 600	82 196	85 252	167 448
	(12 626)	(4 426)		(4 426)	(271)		(271)			0	(30 019)	0	(30 019)
	(1 064)	(3 015)		(3 015)	(90)		(90)			0	(5 285)	0	(5 285)
	(13 690)	(7 440)	0	(7 440)	(360)	0	(360)	0	0	0	(35 304)	0	(35 304)
	0		(9 291)	(9 291)		(10 099)	(10 099)	0	(12 262)	(12 262)	0	(80 819)	(80 819)
	0		(1 219)	(1 219)		(1 524)	(1 524)	0	(339)	(339)	0	(4 432)	(4 432)
	0		(10 510)	(10 510)		(11 623)	(11 623)	0	(12 600)	(12 600)	0	(85 252)	(85 252)
	5 454	5 246	0	5 246	0	0	0	0	0	0	46 892	0	46 892
		3 years			3 years			n/a					

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.

The main stock is located at Frogner, close to Gardermoen airport, and contains values for 1,7 MNOK as of 31.12.2020. 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 31.12.2020 was 5,8 MNOK.

NOTE 11 DEBTORS

	31.12.2020	31.12.2019
Receivables from donors	151 401	90 661
Receivables from partners	14 859	7 357
Receivables from employees	1 810	1 871
Prepaid expenses	8 371	12 176
Deposits	5 046	468
Accrued income	3 836	7 345
Other short-term receivables	8 843	6 750
Total short-term receivables	194 166	126 628

NOTE 12 INVESTMENTS

Financial investments 31.12.2020	Cost price	Market value	Unrealised gain (loss)
	31.12.2020	31.12.2020	31.12.2020
Money market funds and investment funds, national and international	51 338	52 091	753
Quoted shares, national and international	39 001	45 747	6 746
Other shares	1 603	1 603	0
Equity contribution pension fund	4 662	4 662	0
Investment properties	105	36	(69)
Total	96 709	104 139	7 430

Financial investments 31.12.2020	Cost price	Market value	Unrealised gain (loss)
	31.12.2020	31.12.2020	31.12.2020
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)
Total	104 462	106 607	2 145

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 2019 and 2020 is due to the sale of a investments to provide liquidity to prefinance operations.

NOTE 13 FUNDS

		Opening balance 01.01.20	Incoming resources	Resources expended	Closing balance 31.12.20
Unrestricted funds					
Foundation capital	1)	88 285	1 269		89 554
Unrestricted income funds		64 347	222 554	(194 350)	92 551
Subtotal unrestricted funds		152 632			182 105
<i>Funds with externally imposed restrictions</i>					
Earmarked project funds	2)	3 780	11 812	(1 400)	14 192
Telethon funds		6 253	0	(6 253)	0
Legacy income funds		0	0	0	0
Subtotal funds with externally imposed restrictions		10 033			14 192
Total funds		162 665	235 635	(202 003)	196 297

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 2020:

		Opening balance 01.01.20	Incoming resources	Resources expended	Closing balance 31.12.20
Refugees Europe		1 009	198	(9)	1 198
Eastern Sahel Drought		217	86	0	304
Syria Emergency Response		238		(238)	0
Corona Response		0	303	0	303
Lebanon Humanitarian Response		0	5 155	(3 799)	1 356
Earmarked donations to projects (see note 4)		2 315	6 070	2 646	11 031
Earmarked project funds		3 780	11 812	(1 400)	14 192

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 22 active persons, 450 previously active with deferred rights and a total of 123 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%.

Pension expenses, defined benefit scheme (KLP)	2020	2019
Present value of pensions earned this year	2 259	2 356
Interest expense on the pension commitment	3 990	4 469
Return on pension funds	(6 031)	(6 438)
Administrative expenses and interest rate guarantee	519	516
Social security fees	104	127
Net pension expenses, defined benefit scheme	841	1 030

Pension liabilities	2020	2019
Defined benefit obligation (excl. social security fees) 31.12.	191 544	173 871
Pension funds valued at fair value 31.12.	(169 629)	(159 214)
Unrecognised actuarial gains (losses)	(13 139)	(188)
Social security fees	3 090	2 067
Net pension liabilities	11 866	16 536

Financial assumptions	2020	2019
Discount rate	1,50%	2,30%
Estimated salary increase	2,00%	2,25%
Estimated adjustment of social security base figure	1,75%	2,00%
Estimated adjustment of pension benefits	0,99%	1,24%
Expected return on funds	2,40%	3,80%

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.

	2020	2019
Pension liabilities for employees at Head Office	11 604	16 443
Pension liabilities for national staff at Country Offices	21 639	23 490
Total pension liabilities for Norwegian Church Aid	33 243	39 933

NOTE 15 **SHORT-TERM LIABILITIES**

	<u>31.12.2020</u>	<u>31.12.2019</u>
Accrued, not due wages and salaries, other debt to employees	17 011	15 783
Public duties payable - Country Offices	1 995	1 724
Public duties payable - Norway *	8 274	7 008
Accounts payable	37 055	22 674
Accrued, not due expenses	19 303	26 073
Payable to donors	7 868	879
Payable to partners	3 219	5 021
Other short-term liabilities	6 523	10 902
Total current liabilities	101 248	90 064

* Included in the public duties payable in Norway are retained payroll taxes amounting to 4,8 MNOK. The amount is placed in a restricted bank account reserved for this purpose.



REPORT OF THE BOARD OF DIRECTORS, 2020

1. NORWEGIAN CHURCH AID'S ACTIVITIES

Norwegian Church Aid (NCA) is a member of the ACT Alliance, one of the world's largest humanitarian coalitions. NCA is guided by our Global Strategy, Faith in Action, which focus on the two goals: to save lives and to seek justice. Our work is developed and implemented together with partners and the communities and people we serve.

The Covid-19 pandemic affected vulnerable people and communities around the world. During 2020, increased poverty, inequality and urgent humanitarian needs surfaced in all the countries NCA work in. Moreover, the pandemic dramatically affected NCA's operations worldwide. Nonetheless, NCA was able to adjust and scale program implementation to meet the challenges arising from the pandemic, responded to humanitarian needs in several countries and continued to advocate and mobilise for justice through our advocacy work.

The work of the Board in 2020

2020 was a challenging year for the entire world. Norwegian Church Aid responded quickly to the pandemic, in 22 countries. 2020 was also a very different year for the Board of Norwegian Church Aid. The Board held five meetings – all of which took place digitally or by telephone.

During the year, the Board considered 44 cases – including 19 cases for decision and three process cases.

In addition to the fixed cases they included: a strategy for the private sector, NCA's management of its capital, Changemaker's work, and electronic Board archives. In addition, the Board received direct field reports from country directors, who were connected via Teams. This was both useful and inspiring. The Board was kept continuously informed about the organisation's handling of the Covid-19 response in the field. The Board was impressed by these efforts and very pleased that many institutional donors had chosen to support Covid-related work through NCA. This totalled NOK 68 million by the end of 2020.

Due to the risk of infection, it was decided to hold this year's Annual Meeting of the Council as a digital annual meeting. All of the statutory elements of the agenda were handled, including the election of new Board members. One Board member (Ottar Mæstad) was re-elected, and two new Board

members were elected (Herborg Finnset and Vegard Kolbjørnsrud). In September, the Board elected a new deputy chair, Tone Lindheim.

For obvious reasons, it was not possible for Board members to make exposure visits in the field during 2020. The Board looks forward to when this will be possible again.

Since it was not possible for the newly appointed Council to meet in person in June, the Board decided that such a meeting would be arranged during the autumn, if the infection situation so permitted. The meeting was held at Sentralkirken in Oslo on 23 October and was a fine NCA community experience to give motivation and inspiration.

The Board commends the organisation's ability to adapt rapidly by arranging a digital Lent fundraising event, since the authorities discouraged door-to-door fundraising. All plans had to be abandoned at short notice, and all congregations were encouraged to arrange alternative fundraisers, e.g. via Facebook. The result of NOK 25.5 million – compared to the budgeted NOK 34 million – exceeded expectations. The Board would like to sincerely thank everyone – employees and volunteers, both at NCA and in the congregations – who helped to make this possible.

The Christmas fundraising campaign also had to be planned differently in 2020. The general increase in online shopping also had a positive effect on NCA's online store. Gaversomforandrerverden.no achieved a sales increase of 32%.

The results of the Lent fundraising event, Christmas fundraising campaign, donations from regular and occasional donors, bequests and corporate support together constitute NCA's available funds. These funds enable NCA to act quickly in response to an emergency, and to take action where it is needed most, and when it is needed, which is important for us and our partners.

This income is important for our ability to respond to large and small crises. It also enables us to take action in response to unforeseen situations, where this is not covered by other existing agreements.

The Board would also like to commend the administration for achieving new framework agreements as from 2020 with Norad and the Norwegian Ministry of Foreign Affairs, amounting to NOK 1.75 billion NOK over five years, and NOK 840 million over four years, respectively. This is the result of good, long-term work, demonstrating to the authorities that NCA is an organisation that can deliver large volumes, to a high standard, and with good reporting procedures. The agreements are based on the adopted new programme framework, which was submitted to the Board for consideration in several instances.

NCA also received very good feedback from the Norwegian Broadcasting Corporation (NRK)/the Norwegian Fundraising Association (NFA) on the final report on the telethon held in 2014. The goal was to give 1 million people access to a permanent supply of clean water. The actual result was 1.9 million people – almost twice the number – using the NOK 240 million donated via collection boxes throughout Norway.

PART B: RESULTS IN 2020

INTRODUCTION

2020 has been an extraordinary year for Norwegian Church Aid (NCA) and all the countries we operate in. This report shows that NCA has been fully capable of delivering in terms of operations, administration and financially, under changing and demanding conditions. NCA staff have responded to the Covid-19 pandemic by showing considerable agility and ability to adjust. This demonstrates the strength and resilience of the organisation; being prepared to respond with local staff and partners who are able to adapt and implement under rapidly changing conditions. NCA has therefore been part of the response to the pandemic while also being able to deliver on all priorities.

2020 was the first year for implementing NCA's new program framework. In 2020, NCA also signed multiyear agreements with both the Norwegian Ministry of Foreign Affairs, and Norad, the Norwegian Directorate of Development. Moreover, NCA continued to work with a range of donors that supported the implementation of our programmatic work, including long-term development, humanitarian response and advocacy.

The new global program framework formed the basis of our Covid-19 efforts, which included a rapid response to the evolving pandemic from March and onwards through 2020. As water, sanitation and hygiene (WASH) is NCA's key area of expertise, the demand for our services was huge. NCA's Covid-19 response, which included preventive and responsive measures, reached more than 2,8 million people in 22 countries. However, the pandemic also led to an urgent need to respond to increased risk of Gender-based Violence and the rise of poverty and inequality. The Covid-19-response has faced hurdles such as travel restrictions, lack of supplies, and health risk. Additionally, many of the countries we work in, were hard hit by many other crisis as well, such as armed conflict and extreme weather. 2020 has dramatically worsened the situation for many of the world's most vulnerable countries and communities. With support of institutional and private donors, in partnership with a broad range of partners, local, regional and global, NCA has strived to maximise impact to save lives and seek justice.

In this section, an overview of NCA's long term and humanitarian program work in 2020 is presented.

GENDER-BASED VIOLENCE

NCA's GBV programme works along five axes to empower women and girls to live lives free from violence. Those axes are social norms, service delivery, empowerment, maternal mortality, and family planning.

To adapt to the situation caused by the pandemic, messaging to transform norms were done through radio, TV and social media platforms. In Ethiopia, the Orthodox and Evangelical TV stations conducted panel debate discussions and role plays, passing messages on the harmful effects of child, early and forced marriages and female genital mutilation/cutting.

In Zambia, 3,827 survivors of GBV (3,285 women, 542 men) were supported to access medical, psychosocial and legal services. These services were provided from 12 One Stop Centers. Due to movement restrictions, it became impossible to continue normal services at NCA's Women and Girls' Safe Spaces (WGSS) in Nigeria. The GBV team still managed to provide support services through converted telephone booths where vulnerable women and girls could call and get support on GBV and Covid-19 prevention.

In Pakistan, NCA and partners reached a total of 3759 participants (1296 men and 2463 women) with messages on the harmful effects of child, early and forced marriages. In addition, 21 faith leaders, Government officials, parliamentarians and 661 youth were also sensitized on this issue. In Sudan, NCA partner ERRADA conducted training for 25 midwives. In Tanzania, NCA and partners have increased knowledge among women and adolescents on comprehensive sexuality education and family planning in the targeted areas. During this reporting, 17,678 women and adolescents reported accessing family planning services, and 22,908 women and adolescents were reached with information on comprehensive sexuality education.

GBV programming is implemented in Afghanistan, Bangladesh, DRC, Ethiopia, Iraq, Syria, Lebanon, Malawi, Mali, Nigeria, Pakistan, Palestine, Somalia, South Sudan, Sudan, Tanzania, Zambia, Myanmar, Burkina Faso and Venezuela.



A mother with children born after rape. They are at a GBV Center in Juba, South Sudan. Norwegian Church Aid's partner Daughters of Immaculate runs the center.
PHOTO: Håvard Bjelland/Norwegian Church Aid

CLIMATE RESILIENT WATER, SANITATION AND HYGIENE

NCA's global water, sanitation, and hygiene (WASH) program was complemented with a climate resilience component for the strategic program period 2020-30. By doing so, the WASH program adapted to respond to the effects of a changing climate. WASH programming is both long-term and humanitarian in many countries.

NCA responded to the pandemic through hygiene promotion for consequent hand hygiene, social distancing and made available water and detergents. NCA reached about 2,8 million people in 22 countries with our response to Covid-19. NCA Sudan responded with WASH and GBV to the influx of 60,000 Ethiopian refugees by the end of 2020. In Darfur, our program provided water, sanitation, and hygiene services in camps for internally displaced people close to Nyala and Zalingei towns. NCA Lebanon reached 92,720 people providing improved water services. For example, NCA drilled and equipped a borehole in Aarsal, contributing to increased water supply to cope with the increased demand due to the high influx of Syrian refugees in the area. In Afghanistan, NCA and partners conducted menstrual hygiene sessions for 9,076 women and adolescent girls. In Pakistan, 5,991 individuals were reached by WASH services focussing on latrine construction. 65 latrines for persons with disabilities were built. In Haiti, NCA and partners provided climate-resilient WASH services to 8 schools, to improve toilet facilities and ensure that the schools were protected against flooding and extreme weather, which previously often forced the schools to close for longer periods.

NCA's WASH program was implemented in Mali, Burkina Faso, Sudan, South Sudan, Ethiopia, DR Congo, Somalia, Pakistan, Afghanistan, Haiti, Burundi, Nigeria, Bangladesh, Gaza/Palestine, Lebanon, and Syria.

PEACEBUILDING

NCA's Peacebuilding program aims to contribute to participatory processes to build inclusive, cohesive and peaceful societies. NCA contributed to more constructive inter and intragroup relations, for example, through awareness, educational and cultural events. NCA has started collaboration with tech companies in Norway to acquire digital skills to counter hate speech and violent extremism.

In 2020, NCA supported inclusive, gender sensitive peacebuilding structures and mechanisms to prevent and transform conflicts at the local level in Afghanistan, Burundi, Mali, Pakistan and South Sudan. NCA also supported duty bearers to reform or better implement policies addressing key driving factors of conflict. For example, the East Africa Peacebuilding programme and its faith-based partners advocated for the renewal of UN resolutions to protect civilians in South Sudan, but also measures to fight Gender-Based Violence and the pandemic in their countries. NCA completed in 2020 a study on the shrinking space for civic action for peace in our targeted countries and on strategies and alternatives to navigate it. Finally, in all targeted countries, NCA's work resulted in an increase in women's participation in peace processes. In Mali, NCA is leading the establishment of a national "observatory of women in the implementation of the agreement for peace and reconciliation" by linking close to 500 women in the conflict affected regions to national decision-making processes. In Afghanistan, 325 women and girls were trained and are now active members in 26 different local peace committees.

In 2020, NCA's peacebuilding programme was implemented in Afghanistan, Burundi, Ethiopia, Kenya, Mali, Palestine, Pakistan, Rwanda, South Sudan, Somalia, Sudan, Tanzania and Uganda.



Regina, 13, is responsible for fetching water from the family. She lives in the Bilel camp in Darfur.

PHOTO: Håvard Bjelland/Norwegian Church Aid



CLIMATE SMART ECONOMIC EMPOWERMENT

The aim of NCA's Climate Smart Economic Empowerment (CSEE) Strategic Initiative is to contribute to sustainable development by helping to empower marginalised people to lift themselves out of poverty while building their resilience towards climate change. A key priority for this strategic initiative is to scale our Micro Investment (MI) methodology, where smallholder farmers invest in innovative and sustainable agricultural methods to increase productivity.

In 2020, over 15,000 micro investment drip irrigation kits were procured and delivered in Malawi through NCA and partners. NCA Malawi facilitated practical training for 20 agronomists and 10 field facilitators in the Micro Investment (MI) approach, utilizing the producer incubator model. This has ensured production of high-quality produce. NCA and partners also facilitates market linkages to services providers and input suppliers. During 2020 a total of 244 additional incubator groups were established in Malawi. An incubator is established to train 12 farmers for the period of 12 weeks. This translates to 2,928 micro investors, mostly women. The MI approach ensures continued capacity building, training on Business Management, Market Oriented Production and Climate Resilience.



In 2020, NCA's Climate Smart Economic Empowerment program was implemented in Afghanistan, Burundi, Ethiopia, Haiti, Malawi, Myanmar, Palestine, Somalia, Sudan, Tanzania and Zambia

Micro Investment Approach to climate resilience and poverty reduction. New techniques for increased yield and less water consumption. The kit with water pipes, seeds and fertilizer. **PHOTO:** Håvard Bjelland/Norwegian Church Aid

FAITH BASED CLIMATE ACTION

Faith based climate action (FBCA) mobilises faith-based organisations and movements for climate change action. Through this initiative NCA will support faith actors in developing climate change actions that address local needs and vulnerabilities in their communities and among their constituencies.



In Ethiopia, an interfaith platform for forest and climate, consisting of Orthodox, Catholics, Muslim and Evangelical faiths, work to ensure the development and implementation of climate change plans, strategies and financing. In Pakistan 105 faith actors representing Muslim, Christian, Hindu, Sikh, and Bahai' faiths were trained on climate change and its related teachings of different religions. Moreover, to increase community's climate resilience there were activities in Ethiopia, Pakistan, Angola and Guatemala. Some examples are: 1,5 km² under sustainable land management, 70 000 trees planted, 12 rainwater harvesting installations securing access to half a million litre of water, 300 rights holders trained in climate smart agriculture and sustainable livelihood development for 1000 households. The program reaches out to millions of people through TV, radio and community task forces.

In 2020, this strategic initiative has been implemented in Ethiopia, Pakistan, Angola and Guatemala.

FIGHTING INEQUALITY

The goal of the Fighting Inequality programme is fair and equitable finance and redistribution of resources. NCA influences duty bearers to increase finance for and spending to reduce poverty and inequality, and we aim to mobilize communities for just resource governance.

Quality education, social security and health services are key tools to reduce inequality. In Tanzania NCA has supported partners to advocate for universal health coverage. Through the campaign called “Make it Possible”, religious leaders were engaged to mobilise communities’ enrolment into the public health insurance scheme. In the areas where the religious leaders mobilised their constituencies, the number of people covered by health insurance increased from 5683 in 2019 to 17,009 in 2020. In 202, inequality has increased, and more than 100 million new people have been pushed into poverty because of Covid-19. During the year, NCA’s partners have not been muted, as they increased their online presence and offered trainings, arranged webinars and streamed events that previously would not accessible online. One such example is the Alternative Mining Indaba (AMI) multi-stakeholder platform, which is a key arena arranged by NCA and partners. At AMI, affected mining communities and civil society hold governments and mining companies accountable and in 2020 AMI conferences were held online in Angola, DRC, Zambia and Zimbabwe.

In 2020, the FI initiative was implemented in Angola, DRC, Malawi, Tanzania, Zambia, South Africa, Botswana, Mozambique and Zimbabwe.

STRENGTHENING CIVIL SOCIETY

Strengthening Civil Society (SCS) as a thematic area is cross-cutting in NCA, and all countries report on goals to strengthen civil society. Capacity building for partners was limited by Covid-19, however, several COs were still able to carry out training virtually (e.g. in **Pakistan, Syria** and **Lebanon**). In 2020, ACT alliance formed a task force to develop policy positions and guidance on the issue of *shrinking space for civic engagement*, with NCA represented. In **Sudan**, NCA has earned plaudits for its work to promote *inter-faith cooperation*. Landmarks in 2020 included organising a Caravan of Faith, with strong participation of women. The activity provided spaces for women to engage with religious leaders, youth as well as government officials. The work is coordinated by NCA’s Regional Peace Programme based in **Kenya**. An exposure visit by Sudanese representatives to the Zanzibar Interreligious Council in **Tanzania** was also organised, demonstrating regional learning and alliance building.

WORKING WITH LOCAL PARTNERS

Strong civil society actors and an enabling environment for civil society are prerequisites for the development of participatory democracy, accountable governance and social justice. As a faith-based organisation, NCA is particularly well suited to support faith-based civil society organisations, as they grow networks, strengthen organisational capacities and advocate for their large and diverse constituencies. In 2020, 43.4 per cent of people lived in countries rated as having repressed civic space, while the percentage of people living in countries with obstructed civic space jumped from 15.8 per cent to 18.3 per cent. Working with local partners is integrated in NCA’s work in all countries we operate in. NCA worked with around 230 local partners in 2020. When the pandemic hit in 2020, it was important for NCA to support local partners, but it was also extremely important to work together with local partners to enable a rapid and far-reaching response to the pandemic.

In 2020, NCA introduced a new Partnership Assessment Tool, which will form the basis for CO’s systematic monitoring and follow-up of partners.



Everyone must wash their hands before entering NCA’s health clinic in Bilel, Darfur.

PHOTO: Håvard Bjelland/Norwegian Church Aid

HUMANITARIAN RESPONSE

In 2020, NCA reached 2.8 million beneficiaries in 22 countries through a 67 million NOK COVID-19 response. By utilising our own collected funds, Norad funding and MFA Flexible Funding under the Strategic Partnership Agreement, NCA's country offices were able to quickly resume operations with local partners despite Covid-19 restrictions. The response focused on prevention and response by providing hygiene kits, personal protective equipment to health workers, water to health clinics, disinfection of health clinics, and awareness raising. Subsequent restrictions resulted in innovative approaches with remote management and use of digital tools in our programmes.

NCA also responded following the devastating explosion in the Beirut port on 4 August, targeting 20,000 people with food and WASH and GBV services. NCA Mali expanded its humanitarian operations into neighbouring Burkina Faso, targeting 50,000 people with WASH and GBV assistance. NCA joined ACT sister agencies Lutheran World Federation and Diakonie Katastrophenhilfe's to reach people affected by the crisis in Venezuela, focusing particularly on GBV and Adolescent Sexual Reproductive Health services for women and girls. NCA Sudan started an operation in the east to respond to the refugee influx from Tigray, Ethiopia, and prepared for a response within Tigray.

SUSTAINABLE NCA

NCA developed our Climate and Environment Policy in 2020. This is our overall policy for reducing NCA's greenhouse gas emissions, and has identified four focus areas for improvement: Air travels, internal operations in our offices, long-term programming and humanitarian response, and logistics. Under each focus area are specific initiatives which will contribute to the reduction of NCA's carbon footprint.

A few country offices were selected to pilot several of the initiatives in the policy. Ethiopia developed a baseline for continued work on greening our country offices. NCA worked on developing environment sustainability standards for the whole organisation. This is seen in relation with other sustainability standards that are developed in the organization.

DIGITALISED NCA

NCA is focusing on digitalisation and innovation across the organization, to utilise technology and process innovation to always deliver our best on NCA's mission and vision. Digitalisation is therefore one of NCA's strategic goals and all Departments did implement several activities to increase digitalisation. In 2020, several digitalisation projects were further developed in NCA, including a new project information management system which was tested together with several country offices, and will be further implemented in 2021.

NCA also focussed on increasing the digital literacy in the organisation, by implementing key digitalisation projects but also ensuring that we allow time and resources for training our staff so that new digital tools are used in an efficient manner. Moreover, 2020 gave NCA a huge learning opportunity regarding use of digital communication tools. With travel restrictions for most of 2020, our use of Teams and other digital communication tools has increased dramatically.

INNOVATION: SAVING WATER IN ZAMBIA

In Zambia, NCA together with partners such as Christian Aid and Churches Health Association of Zambia (CHAZ), have worked to develop methods to help poor farmers to save and use water more efficiently, so that they have a more stable access to water also in the dry periods. This increases their production and gives better nutrition. The program helps farmers adapt to climate change by using innovative methods of growing more and better yields with better access to markets for their produce. By introducing a simple and affordable drip-irrigation system, the farmers reduced the amount of water used in their fields by about 80%. This method is also in use in Malawi and Tanzania.

INNOVATION: SUPPORTING ENTREPRENEURSHIP IN PALESTINE

NCA has established a program for teachers in vocational training for youth in Palestine, where youth unemployment is extremely high. The program is developed together with furniture company Vestre and the Oslo School of Architecture and Design, and aims to increase the quality of vocational training in Palestine. By working together with experts in education and private sector actors, we hope to provide high-quality training for youths to increase employability and entrepreneurial skills. In February 2020, NCA also established Station J in Jerusalem, a hub for start-ups led by young Palestinians. Moreover, several partners came together to develop a digital platform for entrepreneurship and vocational training. Several local entrepreneurs are part of this platform together with Tinkr, an innovation accelerator.



CHANGEMAKER

2020 was undoubtedly a strange year in volunteering and for Changemaker's activists. But despite this, Changemaker can boast very good results. In 2020, a lot of time and work went into adapting our member activities to the pandemic. Our summer camp turned into a rolling tour with the management, autumn camp became smaller regional gatherings, and we changed the world from sofas all over the country.

Political highlights:

- We fought for a human rights law for businesses through KAN and our own campaign.
- The campaign **Verdens Beste Nyheter** (The World's Greatest News) had to be done digitally, but we were able to get 700 ambassadors and as many as 4500 people joined an experiment that was part of the campaign.
- Together with NCA, we worked for more climate financing through the campaign **Step up, speed up, scale up**.

Organizational highlights:

- We reached our goal of 1200 members despite the pandemic.
- Changemaker and NCA signed a new cooperation agreement for the next four years.
- We have strengthened the secretariat with new employees and slightly more capacity. Changemaker had 5 employees at the end of 2020. Camilla Rodø took over as general manager in February 2020.

Thank you to everyone who supports us. Check out our website and annual report for more information on Changemaker's 2020.

LENT CAMPAIGN 2020

The Lent campaign 2020 raised NOK 25,3 million. March 12th Norway locked down due to COVID-19. It was a huge challenge to mobilise 1100 churches all over Norway during the pandemic, but we managed to change the campaign, and turn over to all digital collection together with the churches. This was a new and challenging experience for the congregations, but they took on the challenge and used over a thousand Facebook donations as a digital collection tool to mobilise. The theme for the campaign was "The world is in a crisis – give a life with water!". People all over Norway got the opportunity to "meet with" people in Bero village in Ethiopia where they now have got clean water, thanks to the mobilising of volunteers through the years. We also launched a campaign for the climate, demanding that Norway should finance more of the climate adaptation that is needed for climate resilience in poor countries. We supported the campaign with streaming concerts. In order to harvest all income that we had mobilised for, we stretched the campaign to Easter Eve. During easter we also gave the public a streaming of the gospel of Easter, read by our famous actor Svein Tindberg.



A couple of Norwegian Church Aid's loyal supporters, Gisle Børge Styve and Heine Totland, were among those who performed and held a concert live online.

PHOTO: Trond Are Utle/Norwegian Church Aid

CHRISTMAS CAMPAIGN

Congregations are Norwegian Church Aid's most important donors to our Christmas campaign. In 2020, with the COVID-19 pandemic, the churches had reduced capacity and services around Christmas. At the same time, the urgent need for funding was massive in the countries NCA work, with several humanitarian crisis happening at the same time. We focussed on the crisis in Lebanon and Sudan. The long-term focus is on maintaining this tradition and ensuring that it is easy for congregations to support Norwegian Church Aid's work. With that in mind, we developed digital tools for the congregations to use. We made films of the Christmas Story, with music and actors who reads the text. The same with the four advent prayers. This has been available for all the churches to use and to share with their congregations who haven't been able to go to church during advent and Christmas. We have also addressed the audience directly, through boards and TV commercials. This has doubled the income on VIPPS this year. We also ran a TV commercial with safe water as the main theme. This is also to be used in the Lenten campaign 2021.



ADVOCACY WORK

Our effort to do advocacy work for our causes, at national, regional and global levels, has through 2020 been taken care of mostly at digital arenas, together with our partners and stakeholders.

Climate justice

Climate justice was a major part of the work of the Department of Politics and Society in 2020. This was the theme of several campaigns and seminars. 2020 was to become the year where we were able to reap what we have been sowing for the last years, when the Norwegian government submitted a new climate goal to the UN in line with our policy demands. A big victory for NCA and for Norwegian climate politics. NCA has made several reports on climate justice in 2020, especially on innovative climate finance in a Norwegian perspective and on the links between climate justice and peacebuilding in Mali and Somalia. Both these reports were launched with parliamentarians and representatives of the government present, debating the content in the report. Particularly the report on innovative climate finance will be the foundation for our work on this topic in the coming years, having given some political results already.

Inequality

Economic inequality continued to increase through 2020. The COVID-19 pandemic has amplified existing inequalities making them worse and more difficult for governments to tackle. Development finance is scarce. Of particular concern is the growing debt crisis faced by developing countries. Norwegian Church Aid is working to prevent a new debt crisis and is advocating for a renewed international and Nordic push from the Norwegian government for a sovereign debt workout mechanism.

We also advocated for systemic changes to international tax rules and argued for the ethical duty for the Norwegian oil fund to establish a system that excludes the worst companies before an investment takes place.

Policy Coherence for Sustainable Development

In April 2020, the Government announced that they would make an action plan for how Norway will contribute to reaching the Sustainable Development Goals. NCA has advocated for this action plan since 2016.

The Government also announced measures to secure more coherent policies and more coordination across ministries.

In September 2021 the next Norwegian national election will take place. NCA's hope is that regardless of which parties win the election, the Government will have solid development and climate policies in place. In order to influence the Government declaration, we started working on the political programs of the parties early 2020.

In 2020 we sent written input to all nine parties represented in Parliament, held meetings, were active in social media and produced two publications, one where we assessed the draft programs of each party. With one year until the election, we asked the Norwegian people what they thought of issues such as climate action and aid.

Modern slavery

We put modern slavery and the proposed human rights law on the agenda by focusing on modern slavery in the DRC, Malawi and Myanmar. We mobilize the church community, especially Christian councils. And we encourage our target groups to take action. During "Global week against modern slavery" in November, NCA and the Christian Council of Norway launched a campaign to put pressure on the Norwegian government and parliament to pass a new human rights law for business. The Ministry of Children and Family Affairs is currently preparing a law that will be presented to parliament in the spring of 2021, based on a proposal from the Norwegian Ethics Information Committee.

Global health and vaccines

NCA initiated cooperation with Bill and Melissa Gates Foundation in 2020, joining global advocacy for fair and equitable access to vaccines. "We are not safe until all are safe" from the Covid-19 pandemic. We advocated for access to diagnostic, therapeutics, vaccines and for strengthened health systems in the south as a gigantic challenge for the world. The Covid-19 crisis is best addressed through multilateral initiatives and collective solutions such as those offered by the Global Vaccine Alliance (GAVI), Access to Covid-19 Tools Accelerator (ACT-A) and its vaccine pillar, COVAX.

Moreblessings Chidaushe, Country & Regional Advocacy Manager, South Africa

How has Covid-19 affected the work of NCA and partners in your country?

As an office with an advocacy mandate our biggest strength and value addition is in direct interface with rightsholders and duty bearers. This has not been possible under COVID-19. While it has been possible to keep contact with some of the stakeholders, especially those in urban areas, it has been difficult for our partners to engage and access the rural remote constituencies, posing the danger of marginalising one of our primary constituencies.

Has the pandemic changed the way you and partners work?

We have resorted to digital outreach and advocacy, whose uptake is still very low, especially in African settings. This has also made following up issues, especially with duty bearers, more difficult. The digital divide has been very apparent. On a positive note, there has been an impressive digital leap both with us and our partners, although at a limited scale, the use of platforms such as WhatsApp, Zoom, Twitter, Facebook has been the glue helping to keep us close together.

Please share with us the strongest result you and colleagues achieved in 2020?

We managed to maintain the operations of the office fully functional, despite some of the harshest lockdown restrictions in the world. Through digital platforms, we managed to significantly increase our youth outreach across the African continent.

Ruba Khoury, Head of Mission, Lebanon

How has Covid-19 affected the work of NCA and partners in your country?

We had to adapt to the new way of working, with continuous monitoring of the situation, abiding by the national government and the WHO regulations. NCA was able to provide additional funding to implement awareness activities on COVID-19 prevention and distribute hygiene materials. Through the intervention NCA provided emergency response to support 6,000 vulnerable households in North Lebanon and Bekaa valley to prevent the transmission of COVID-19 (30,000 individuals-80% Syrian refugees).

Has the pandemic changed the way you and partners work?

GBV partners had to shift most of the operation to remote modality. NCA partner ABAAD conducted a national digital campaign, #LockdownNotLockup, upon noticing an increase in violence during the lockdown to increase awareness and sharing the helpline number. As for the WASH intervention, the partners used more virtual means to address hygiene awareness and had to conduct door to door distributions.

Please share with us the strongest result you and colleagues achieved in 2020?

Following the devastating explosion at Beirut's port on the 4th of August 2020, NCA HO stood by our country office to launch a response within 48 hours. As part of Beirut Blast response, NCA and partners in Lebanon were able to rehabilitate individual shelters, schools, primary health centres and one hospital; provide psychosocial and GBV support to affected population; provide immediate assistance to affected people by providing hot meals, food kits, household kits, dignity kits and hygiene kits, and provide cash assistance and support small businesses.

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 aims to administer funds, personnel resources and programme work in the most efficient, professional and accountable manner. Dedicated, competent and engaged staff members, and strong systems and routines, ensure professional management and control.

The Covid-19 pandemic has affected the organisation greatly in 2020. With employees working remotely, digital tools and means of communication have become an even bigger part of our day-to-day work. Travel bans and restrictions have also affected us, and staff have as a consequence been less mobile than before.

Compliance

The focus on compliance towards both rightsholders and donors has increased considerably over the last years, and includes laws and regulations, internal policies and procedures, donor requirements and standards and global codes of conduct. An equally important area is our obligations towards rightsholders where we are establishing quality measurements for the work of NCA and our partners. NCA is certified against the Core Humanitarian Standard (CHS), which sets out commitments that we use to improve the quality and effectiveness of the assistance we provide.

Our partnership model and the importance of contextualising our work, is ensuring that our work is well rooted and in periods with travel restrictions also allows full access. At the same time, the model challenges NCA's ability to ensure compliance with financial, procurement, anti-corruption and counter-terrorism laws and regulations, and the obligations to rightsholders. Norwegian Church Aid continues to strengthen the capacity and cooperation in response to these challenges through monitoring activities. The method involves both periodic assessments and control mechanisms with findings that proves the importance of compliance focus.

Carbon footprint

Norwegian Church Aid's goal is to reduce our carbon footprint. In 2020 we reduced our CO₂-emissions from flights by 59% per cent from 2019. The result was a consequence of travel restrictions following the pandemic, but also increased focus on reducing emissions. We have in recent years invested heavily in improved bandwidth for all our country offices to improve digital communication, but also focussing on increased digital competence among staff in all countries. We therefore plan considerably less air travels in the years to come compared to pre-covid travelling. In addition, we have decided several climate initiatives both related to programme activities and country offices. One example is replacing diesel generators with solar energy.

Risk assessments and safety

In many of the countries where NCA works, the operating environment is volatile. Hence to identify and mitigate risks, NCA carries out risk assessments and reviews of own routines and practices. Based on these, NCA develops mitigation plans, which may cover various security and safety, legal, financial, ethical, operational, and programmatic aspects. Residual risks that cannot be mitigated, are handled through establishment and training on crisis management procedures.

Anti-corruption

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 Anti-Corruption Report for 2020 has been submitted to the Norwegian Government and has also been published on our website. We work on four levels within anti-corruption: prevention, detection, management and learning, and the focus in 2020 was in countries without recent cases.

Internal matters

The Working Environment Committee meets every month and are following up on improvement measures. There is also a good and open dialogue between the unions and the management who meet on a regular basis in the Corporate Committee.

2. THE ACCOUNTS FOR THE YEAR

The total incoming resources in 2020 amounted to 1,1 MNOK. 62% of the funding came from Norwegian government agencies, 22% from other organisations and institutions, 14% were donations and 2% came from other sources. This income structure shows is quite stable and there is no significant change from last year.

In 2020 991 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 totalled 34 MNOK.

The unrestricted funds showed a surplus and were increased by 29 MNOK. The liquidity is good; the net cash flow is positive in line with the annual result.

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 are made in accordance with the Board's guidelines, and are reviewed annually. The investments are valued at 104 MNOK and are mainly money market funds, investment funds and quoted shares.

3. WORKING ENVIRONMENT

Norwegian Church Aid strives for diversity and promotes inclusiveness. Human resources is managed with the aim of ensuring the highest level of professionalism. Staff work together across the Head Office and the Country and regional offices. NCA is a global organisation and has an ambition to give staff an experience of working in a truly global work environment. NCA's digital infrastructure, such as the intranet, global ERP system, and document management system, ensures information sharing and support our work around the world. The pandemic has led to increased use of digital communication within the organisation.

The outbreak of Covid-19 changed the everyday life for all, also when it comes to how we work and operate. Home office has been the main rule, with only short periods in between working from the office. In close cooperation with the Senior Management Team, Security, AMU and BU, HR has established and updated routines securing the health of our employees, as well as securing an effective operation of our organization.

Line management have been encouraged to prioritise closer follow-up of employees, with attention to health issues, including mental health. During the year, the employees have been invited to several webinars directed by Moment to learn more about how to effectively work from home, how to focus on self-care, and how to both be led and lead from home office. NCA has conducted two surveys among staff to gather information on staff's well-being, motivation and operational challenges during the pandemic.

The rate of sick leave was 3,9% at Head Office in 2020, compared to 4,9% in 2019.

As of December 31 in 2020, NCA has 144 (62 % women and 38 % men) permanent and 16 (64 % women and 36 % men) temporary employees at the Head Office, compared to 138 permanent employees and 20 temporary employees as of December 31 2019.

HSE deviation and occupational injury/illness (HO)

Two HSE deviations were noted in 2020. One was a near-accident (fall) in the office, the second was uncontrolled burning of candles in the chapel. The latter is addressed and a new routine is established.

With regards to occupational injury/illness, seven cases was reported to NAV in 2020. Most of the injury cases was related to bicycle accidents to or from work, while the illness cases reported was related to stress and challenges with the working environment. All cases were addressed and followed up.

Year	2015	2016	2017	2018	2019	2020
Permanent Positions Head Office	136,6	142,3	136,9	132	138	144
Temporary Project Positions Head Office	8,4	11	7	17	20	14
Total Head Office	145,0	153,3	143,9	149	158	158
NRK Telethon 2014	0	0	0	0	0	0
Positions in Country Offices on contract from Head Office	45,0	47,0	42,5	42	46	56
Positions with home-based expatriate contracts	n/a	n/a	n/a	n/a	6	8
Positions in Country Offices on local contract	629	541	523	613	634	557

Employees per department (HQ)	Per 31.12.2019	Per 31.12.2020
Department of International Programmes	57	59
Department of Communications	14	15
Marketing Department	28	29
Department for Human Resources	11	11
Department of Finance	35	33
Department for Politics and Society	10	8
Secretariat	3	3

Our staff members around the world are localised as follows:

	2017	2017	2018	2018	2019	2019	2020	2020
	Expats	Local	Expat	Local	Expat	Local	Expats	Local
Afghanistan	2	50	2	33	4	41	4	41
Angola	1,5	16	3	17	2	18	2	20
Bangladesh	1	0	2	0	3	0	3	0
Brazil	0	0	0	0	0	0	0	0
Burundi	1	18	1	15	1	16	1	26
Colombia	0	0	0	0	0	0	1	0
DR Congo	1	18	1	21	2	19	2	21
Ethiopia	2	44	2	43	3	56	1	38
Guatemala	0	0	0	0	0	0	0	0
Greece	0	0	0	0	0	0	0	0
Haiti	0	0	0	0	0	0	0	0
Jordan	5	4	6	5	5	6	7	1
Kenya	1	10	1	11	1	9	2	10
Laos	0	0	0	0	0	0	0	0
Malawi	1	17	1	23	1	24	2	23
Mali	1	50	1	50	1	45	4	39
Myanmar	0	0	0	0	0	0	0	0
Nepal	0	0	0	0	0	0	0	0
Northern Iraq	4	20	3	84	5	51	4	30
Niger	2	0	1	8	0	0	0	0
Nigeria	3	0	1	18	3	32	4	35
Pakistan	1	23	1	22	1	19	1	20
Palestine and Israel	0	0	0	0	0	0	0	0
Serbia	0	0	0	0	0	0	0	0
Somalia	0	14	0	17	0	19	0	22
South Africa	0	3	0	2	0	2	0	2
South Sudan	6	68	6	72	5	79	5	70
Sudan	4	127	4	128	7	137	10	116
Switzerland	3	0	0	0	0	0	0	0
Syria/Tyrkey	0	0	0	0	0	0	0	0
Tanzania	1	19	1	19	1	19	1	8
Venezuela	0	0	0	0	0	0	1	0
Vietnam	0	3	0	3	0	0	0	0
Zambia	2	19	1	22	1	42	1	35
TOTAL	42,5	523	38	613	46	634	56	557

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 61% women and 39% men at Head Office, and 39% women and 61% men at the Country Offices (including employees on contract from Head Office). The senior management team is made up of 50% women and 50% men and division leaders consist of 71% women and 29% men. The Board consists of 54% women and 46% men.

As of December 31 in 2020, NCA has 62 % women and 38 % men in permanent positions, and 64 % women and 36 % men in temporary positions at the Head Office.

	Number		%	
	Women	Men	Women	Men
Gender balance	98	60	62 %	38 %
Staff in part-time positions	4	3	4 %	5 %
Temporary contract	9	5	9 %	8 %
Number of weeks of parental leave *	18,5	14,2	N/A	N/A

* Average number of weeks of parental leave. Please note that the statistics reflect the situation in 2020, and does not take into consideration the start and end of the leave, and how the division of the leave was conducted between parents.

Regarding the percentage of women and men in part-time or temporary contract, this represent the percentage for the gender. Thus, 5% of the male staff is working part-time. In total, 4% of the staff is working part-time, and 9% has a temporary contract. The numbers reflect staff at the Head Office (excluding expats).

An active dialogue with the union representatives in the Corporate Committee (BU) is a central priority to ensure performing and reporting obligations on gender equality. NCA has strengthened formulations in job recruitment adverts to increase and ensure diversity and gender balance among staff.

All employees are obliged to sign the ACT Code of Conduct as part of their employment contract, which outlines NCA and ACT Alliance commitment to prevent sexual harassment, exploitation, and abuse, and to safeguard children. From 2021, all staff members will also have to comply to NCA's new policy: Norwegian Church Aid's Policy on Protection from Sexual Harassment, Exploitation and Abuse (PSHEA), and Child Safeguarding (CS). NCA staff and related personnel are personally and collectively responsible for upholding and promoting this policy both during and outside normal working hours. Moreover, staff are aware of NCA's commitment to be accountable to: "Code of Good Practice for the ACT Alliance" and "Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organisations in Disaster Relief", and the Core Humanitarian Standards (CHS).

5. PROSPECTS FOR THE NEXT YEAR

During 2021, NCA will focus on the following four strategic priorities:

A sustainable NCA

By 31 December 2021, NCA shows measurable reductions in carbon emissions, and increased sustainability in our operational activities. We have reviewed and included the most effective changes and experiences from Covid-19 regarding sustainability.

A digitalised NCA

By 31 December 2021, NCA has increased the digital literacy in the organisation, by implementing key digitalisation projects and broadly working with digital resource mobilisation. We have reviewed and included the most effective changes and experiences from Covid-19 regarding digitalisation.

A results-based and datadriven NCA

By 31 December 2021, NCA has strengthened its ability to more quickly and more simply obtain relevant results and analyse what we do, what we achieve and what we can improve. We do this with the goal of documenting more, learning more, managing and following up better, and making more of our work visible.

A visible NCA

By 31 December 2021, NCA has increased its visibility, and partners, supporters and stakeholders have increased knowledge about our work. We will do this through telling stories, documenting results of our humanitarian response, our long-term work, advocacy, and engage in more active dialogue with stakeholders.

To fulfill these strategic focus areas in 2021 we have a consolidated global budget for the entire International Department supplemented by detailed activity plans for each country and budget unit. All Departments have developed their annual plans with more targeted priorities for each Department and Division.

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 2021 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, 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 Gender-based Violence and Water, sanitation and hygiene, NCA – in cooperation with local authorities, faith actors, and national and international civil society organisations, including the UN – has a relevant role to play in the response to this global outbreak. NCA has adjusted and scaled our response to the pandemic and its consequences.

NCA is in a sound financial position. The pandemic-related restrictions are still affecting NCA's voluntary donations from the Norwegian public, but NCA has increased funding from institutional donors and have also been able to spend some accumulated funds to keep operations running at a high level. Per now the cash flow is good and we do not have any plans for realising sales or losses. The weakened NOK compared to EUR and USD can impact available funds to our projects and partners, but budgets and plans are continuously revised to adapt 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. Instabilities 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 strategic goals 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 organisa-

tion 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 26 2021

Kjetil Aano
Chair of the Board

Ottar Mæstad
Board member

Vegard Kolbjørnsrud
Board Member

Tone Lindheim
Deputy chair of the Board

Bo Christoffer Iwar Brekke
Board member

Embla Regine Mathisen
Board member

Kjetil Drangsholt
Board member

Herborg Finnset
Board member

Siv Øystese
Board member

Ingrid Erøy Fagervik
Board member

Kjersti Thoen
Board member

Gunn Inger Røkke Ruud
Board member

Dagfinn Høybråten
General Secretary

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 2020
- The activity accounts for 2020
- Statement of cash flows for the year that ended 31 December 2020
- 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 Organisation as at 31 December 2020, 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 allocation of the profit 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



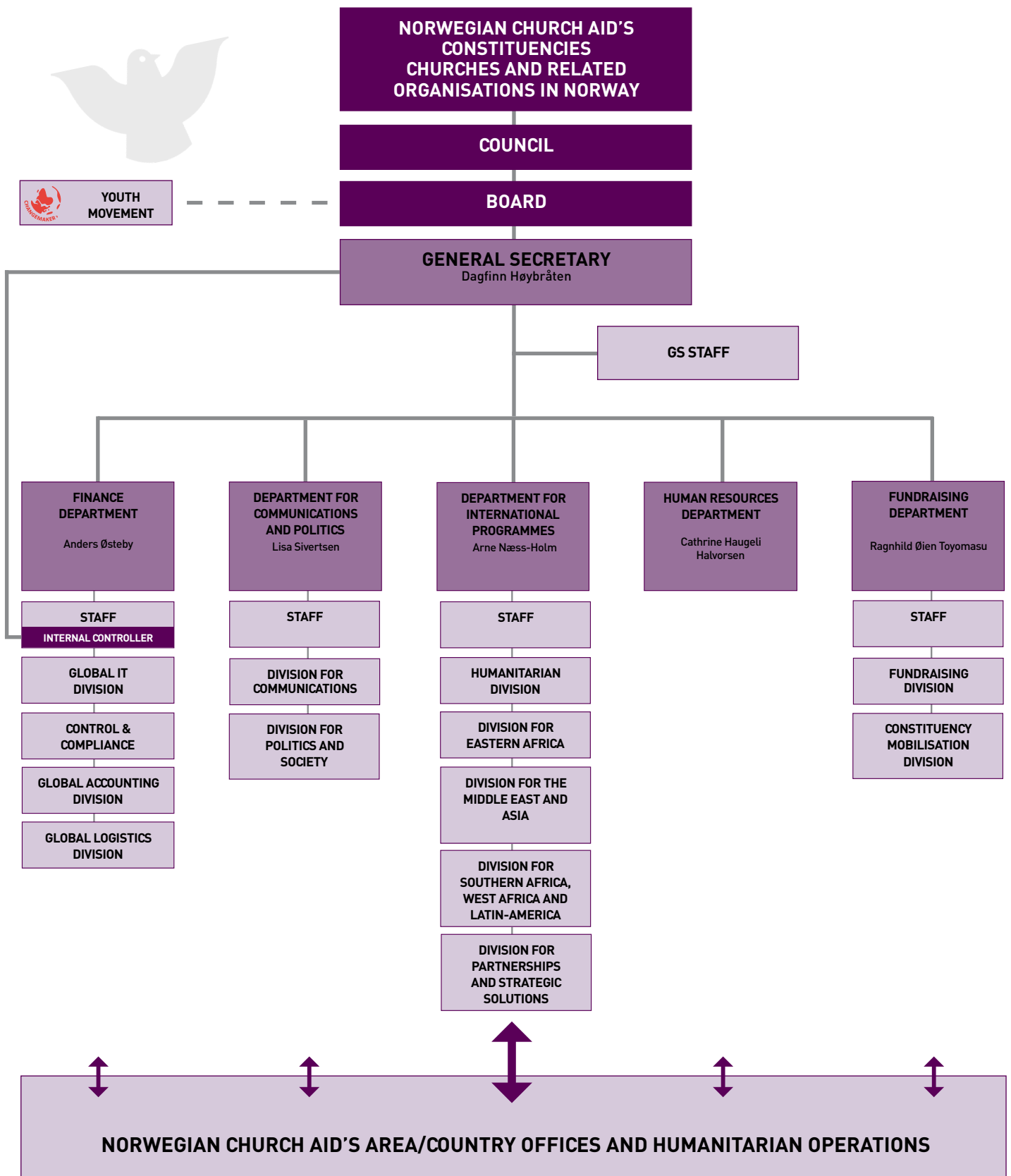
Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Society's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

BDO AS

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

Penneo Dokumentnøkkel: SCIJ3-EMPFH-BCETT-A3VW1-T8M37-ED3X7

NORWEGIAN CHURCH AID'S ORGANISATION CHART AS OF 31.12.2020



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Gunn Inger Røkke Ruud

Board member

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Kjersti Thoen

Board member

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Vegard Kolbjørnsrud

Board member

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Kjetil Drangsholt

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Herborg Oline Finnset

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Dagfinn Høybråten

General Secretary

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2021-04-26 16:31:00Z



Ottar Mæstad

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Tone Lindheim

Deputy chair of the Board

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Aano Kjetil

Chair of the Board

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Siv Øystese

Board member

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Ingrid Erøy Fagervik

Board member

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Embla Regine Mathisen

Board member

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