

## Organisational Assessments of Civil Society Organisations (CSO) in view of possible qualification as Sida's framework and/or strategic partner organisations

### Norwegian Refugee Council

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## EXECUTIVE SUMMARY

The Norwegian Refugee Council (NRC) has a long history of working with refugee assistance. It was established in 1946 under the name Aid to Europe, to assist refugees in Europe after World War II. In 2005 the organisation was transformed into a foundation, with a board of directors and an election committee as the statutory bodies, as a step towards increased professionalism and focus on the core humanitarian mandate.

The general conclusion of this review is that the Norwegian Refugee Council is a highly competent and professional international humanitarian actor with capacity to implement programmes that correspond to Sida's appropriation item *Humanitarian assistance and conflict-related activities*. The gaps that have been highlighted in relation to routines and frameworks for accountability and results based management etc. should all be covered by the on-going internal organisational reform and revisions of relevant steering documents and guidelines. It is the team's assessment that the situation is likely to change in a positive direction during the next few years, given that these processes are allowed time and resources to be sufficiently established.

In the meantime, NRC maintains a high ambition level when it comes to further growth. Given the observations made by previous external reviewers it may be wise to carefully assess each expansion plan against the capacity to also establish sufficient resources to implement, maintain support and develop the equally high ambitions in relation to internal organisational management and control structures.

The assessment team has observed an organisation with very competent personnel and a professional approach to humanitarian work. The team met a culture of open internal discussions on a wide range of issues and challenges relating to its mandate and operations. The staff- and organisational structures are overall sufficiently clear both at head office and at country levels and encompass the key necessary functions to run operations professionally.

NRC commits to a *rights based* approach with a clear policy commitment to the humanitarian principles of *humanity, neutrality, independence and impartiality* and is a signatory to key international standards. Its international cooperation with leading humanitarian actors, not least the joint efforts with the United Nation, shows that NRC is well anchored in the humanitarian field. NRC is democratically structured and works in line with democratic values. The foundation has a clear mandate and NRC expresses its vision, mission and strategies in established policy papers, programme policy and other strategic documents.

There is a coherent thinking around NRC's five core competence areas (i.e. education, shelter, food security, ICLA and WASH) and three cross-cutting issues (i.e. protection, environment and age, gender and diversity), which corresponds well with the focus of Swedish humanitarian aid and to some extent development cooperation.

A strategic approach in selecting donors has helped NRC diversify its financial sources. From a traditional dominance by Norwegian MFA/Norad, NRC's donor base now also consists of major contributions from Sida, ECHO, UNHCR, DFID and a number of other donors. NRC has been pre-qualified as an implementing partner in DFID's rapid response facility, and has access to 10 million SEK annually in rapid response funding from Sida. A global framework is established with the Norwegian MFA, covering all countries of operation. The strategic relationships with government agencies have been very important for the continued capacity development of the organisation and for exploring new methodologies for a strengthened international humanitarian system.

The implementation of macro log-frames, linked to balanced scorecards and indicators for measuring results, is intended to guide results based management in country programmes. The methodology, or thematic 'theory of change', linked to each of the five competencies, is adapted to local contexts and applied in NRC's field operations. As many of the RBM components are under development it has not been possible for the assessment team to assess their practical application. From what has been possible for the assessment team to observe, the expected RBM framework should address many of the outstanding issues.

In practice, judging by the assessment team's observations in Myanmar, NRC is already able to produce and follow-up on results from its field activities. As most organisations working in environments with limited access to experienced project management staff, however, NRC struggles with the quality of some aspects of the measuring and reporting of results, in particular producing reports beyond the level of output.

The fact that NRC implements its programmes through its own field offices allows the organisation to maintain close control over project and programme formulation, as well as in prioritisation of limited resources. There are cases where NRC organises local community based organisations (CBOs) as contractors, or working with partner organisations beyond the sub-contracting model. The primary objective, however, is not capacity building and NRC does not enter into partnerships primarily for the sake of supporting or strengthening local organisations.

The advocacy and information department engages in research, capacity building of staff, collaboration with other humanitarian organisations and advocacy towards governments and policy makers. Beyond the actual roster systems, through which personnel is deployed to international operations, the emergency response department generates thematic competence and supports methodology development. The work conducted through ACAPS helps improve assessments of humanitarian needs in complex emergencies and crises.

NRC's commitment to *'emergency relief and early recovery, seeking to build on displaced persons' own resilience to promote sustainability and recovery'* affirms the ambition to integrate the two perspectives of disaster prevention and early recovery.

The fact that NRC is active in some of the world's most serious humanitarian crises may have contributed to an organisational culture of emergency mode, where adherence to the humanitarian imperative is a key strength. NRC is, however, also active in many protracted crises and post-crisis phases where the primary challenge is not necessarily to react quickly, but rather to establish conditions for peace building and development. Specific NRC programme documents do not always define what durable solutions would mean in each specific country context. Perhaps NRC would benefit from some further reflections on its own added value in these types of situations and linked organisational guidance on issues like political risk awareness, conflict sensitivity and do-no-harm, beneficiary selection and the limitations of the humanitarian mandate. The latter would entail a discussion on the 'end game' while engaging development cooperation actors early on in humanitarian programme planning. These are of course issues of great relevance to all humanitarian actors and NRC has a good position to contribute to such discussions also outside of its own organisation.

## **ABBREVIATIONS AND ACRONYMS**

ACAPS	Assessment Capacities Project
CAP	Consolidated Appeal Process
CBO	Community Based Organisation
CSO	Civil Society Organisation
CO	Country Office
ECHO	European Commission's Humanitarian Aid Office
FAM	Finance Administration Manager
GenCap	Gender Standby Capacity roster
HAF	Humanitarian Accountability Framework
HAP	Humanitarian Accountability Partnership
HO	Head Office
IASC	Intern-Agency Standing Committee
ICLA	Information, Counselling and Legal Assistance
ICVA	International Council of Voluntary Agencies
IDMC	Internal Displacement Monitoring Centre
IDP	Internally Displaced Persons
INEE	Network for Education in Emergencies
KNLA	Karen National Liberation Army
KNU	Karen National Union
LoA	Letter of Agreement
M&E	Monitoring and Evaluation
MFA	Ministry of Foreign Affairs
NGO	Non Governmental Organisation
NOK	Norwegian Krona
Norad	Norwegian Agency for Development Cooperation
NRC	Norwegian Refugee Council
OCHA	Office for the Coordination of Humanitarian Affairs
RBM	Results Based Management
RRM	Rapid Response Mechanism
SEK	Swedish Krona
UN	United Nations
UNHCR	United Nations High Commissioner for Human Rights
WASH	Water, Sanitation and Hygiene Promotion

# 1 INTRODUCTION – SIDA’S FRAMEWORK ORGANISATIONS AND STRATEGIC PARTNERS

Support to civil society is one of the core elements of Swedish development cooperation. The appropriation item *Support via Swedish Civil Society Organisations* (CSOs) has represented approximately ten per cent of Sida’s total funds since the 1980s. Swedish CSOs carry out a number of projects and programmes in Southern countries, normally through local partner organisations. Although such projects and programmes are important in their own right (as an expression of a dynamic civil society), the overall objective for Sida’s support is to pursue democracy and human rights as well as to alleviate poverty.

In relation to humanitarian assistance, Sida’s support to humanitarian actors, including CSOs, through the appropriation item *Humanitarian Assistance and Conflict-Related Activities*, constitutes a government contribution to Swedish and international CSO activities within the framework outlined in the strategy *Humanitarian Assistance provided through Sida 2011 – 2014*. In 2010, an evaluation of Swedish humanitarian assistance (2005-2010) identified the need for Sida to streamline the administration of its humanitarian assistance, and recommended that Sida establish multi-annual agreements with its humanitarian partners and extend the rapid response mechanism (RRM) to also include international CSOs.

In the early 1980s the current system for support to CSOs with a limited number of framework organisations was introduced. The underlying rationale was to facilitate Sida’s and the organisations’ administration of support to civil society organisations in the light of increasing contributions. Smaller Swedish organisations receive grants from Sida through an umbrella organisation – *Forum Syd* – that was set up to take care of common issues for Swedish civil society organisations. It subsequently became a resource for handling applications and distributing grants along principles approved by Sida.

In 2005, a number of selection criteria for framework organisations came into force. This was part of a broad discussion concerning the framework system and developmental trends within civil society. The discussion contributed to the development of the *Policy for support to civil society in developing countries within Swedish development cooperation* and an ensuing strategy covering the years 2010-2014.<sup>1</sup> The strategy stipulates that Sida shall revise the criteria for CSOs to qualify as framework organisations during the strategy period.

## 1.1 Introduction of new qualification criteria in 2011

As part of this evolution of Sida’s work with and through Swedish CSOs and humanitarian partners, Sida identified a number of qualification criteria in 2011.<sup>2</sup> As of 2012, all

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<sup>1</sup> Strategy: Support via Swedish Civil Society Organisations 2010-2014.

<sup>2</sup> Kriterier för civilsamhällesorganisationers behörighet som ramorganisation inom anslagsposten Stöd genom svenska organisationer i det civila samhället och strategisk partnerorganisation inom

organisations interested in becoming a framework and/or strategic partner organisation to Sida will be assessed against these criteria.

Until the establishment of the 2011 criteria, Sida conducted a number of system-based audits of organisations on an *ad hoc* basis. While these reports present detailed information on an organisation's systems for internal management and control, the 2011 criteria aim at capturing the applying organisation's overall capacity to contribute to the achievement of the overarching objectives of Sida's support to CSOs and to humanitarian actors. By using largely the same criteria for all organisations applying to become a framework and/or strategic partner to Sida, the aim is to improve the consistency in requirements posed on the organisations.

A major difference compared to previous practice lies in the fact that all applying organisations will be assessed through a similar process during a relatively short period of time. Furthermore, it is now easier for international organisations, which do not have their origin in Sweden, but have established themselves in the country, to be accepted as framework organisation or strategic partner. Several such organisations have applied and are included in the current assessment plan.

This report is one such organisational assessment. During 2012 and 2013, some 30 organisations are assessed against the criteria established by Sida. The Swedish consultancy firm SIPU International was contracted by Sida to carry out all assessments.

## 1.2 Purpose

The purpose of this assignment is to conduct an organisational assessment of the Norwegian Refugee Council (NRC) based on the qualification criteria. The assessment is intended to be used by Sida Unit for Humanitarian Assistance as support in their upcoming decision concerning NRC's qualification as a strategic partner organisation.

NRC has been assessed against the criteria corresponding to the appropriation item "Support via Humanitarian Assistance".

## 1.3 Objectives

With the qualification criteria as the basis, an organisation applying to become a framework and/or strategic partner organisation to Sida will be assessed as to:

- the degree to which the organisation is representative, independent and has well-anchored operations;
- the existence, effectiveness and compliance to the organisation's internal management and control systems;

- the organisation's capacity and skills to achieve and report relevant results towards the strategy(ies)<sup>3</sup>; and
- the organisation's capacity and skills to undertake policy and methodological work.

## 1.4 The structure of the report

The report has five main parts. The introductory chapter provides a general background to the assessment.

In chapter 2 the organisation is introduced. This is a short description for those readers who are not familiar with it in advance and the chapter is not part of the actual assessment.

Chapter 3 includes the *methodology*, including an account of limitations related to the particular study. While the methodology is, in principle, the same for all organisational assessments, access to sources vary and individual characteristics of an organisation may make individual criteria more or less relevant and applicable.

The *findings* related to the list of criteria (the assessment framework) are presented in chapter 4. This chapter does not normally comprise an analysis of the facts, but some discussion of, for instance, consistency or discrepancies may be necessary.

The *conclusions* chapter includes analysis and discussion of findings, including whether or not an organisation complies with the criteria. In this chapter not each and every criterion is accounted for, but clustered to make it easier to follow the essential aspects of the assessment. A detailed account of conclusions for the individual criteria is presented in a separate "*Summary of Assessment by Criterion*" that accompanies the report.

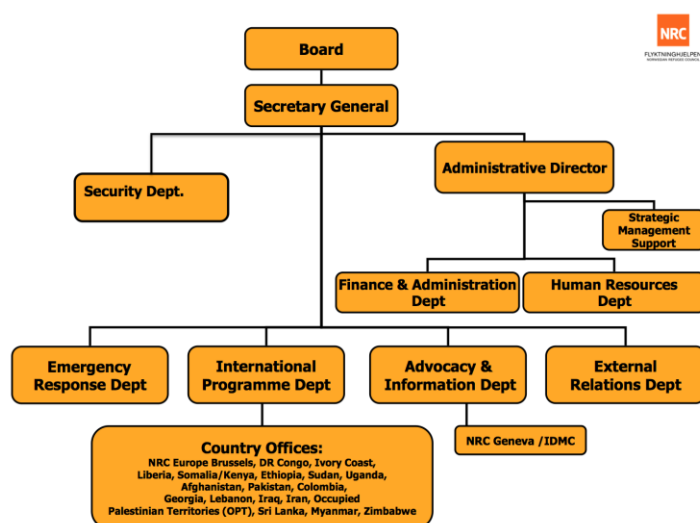
The conclusions may also include further reflections about the organisation and a consideration of their implications for the assessment. This may go beyond the limits of the assessment framework, but may lead to a better understanding of an organisation and its role in relation to the requirements set by Sida. Such a discussion is by no means intended to preclude the decisions by Sida regarding an organisation's eligibility to funding by the Swedish government.

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<sup>3</sup> The strategies referred to are the Sida strategies Support via Swedish Civil Society Organisations 2010-2014 and Humanitarian Assistance provided through Sida 2011 – 2014.

## 2 NORWEGIAN REFUGEE COUNCIL

The Norwegian Refugee Council (NRC) is an independent, humanitarian non-governmental organisation with more than 60 years of experience. It was established in 1946 under the name Aid to Europe, to assist refugees in Europe after World War II.<sup>4</sup> In 2005, the NRC was converted from an association to a foundation<sup>5</sup> with a board of directors and an election committee as the statutory bodies of the organisation. The board of directors appoints a secretary general to be responsible for running operations.



NRC has over 3,000 employees working at the head office and through 20 country offices in Africa, Asia, Middle East, the Caucasus, Latin America and Europe. It cooperates closely with the UN, national and international organisations and partners.

NRC is a rights-based organisation committed to the principles of humanity, neutrality, independence and impartiality. Its mission statement is to protect the rights of displaced and vulnerable persons during crisis, by meeting immediate humanitarian needs, preventing further displacement and contributing to durable solutions.

NRC operates in conflict-affected areas and engages in other contexts where its competencies are assessed to add value. NRC has developed five areas of competence:

<sup>4</sup> [www.nrc.no](http://www.nrc.no)

<sup>5</sup> NRC will be used as an abbreviation for the Norwegian Refugee Council throughout this report. As NRC has established as a foundation with the Norwegian Register of Business Enterprises, it will be referred to as a foundation when relevant for its formal status. Mostly, the word organisation will be used, as the purpose of this report is to review the organisational capacity and on-going organisational reform processes.

**Education:** NRC believes that in a humanitarian crisis education is a life saving and life enhancing intervention. It provides education services in the immediate aftermath of crisis, and also catch-up education in order to give children a chance to reintegrate into formal education. NRC also provides skills-training to help youth find livelihoods and hope for the future.

**Food Security:** NRC implements food security programmes to save lives and protect livelihoods. It distributes food, cash and non-food items, implements school feeding programmes and provides support to agriculture, livestock, and micro-enterprises.

**Information, Counselling and Legal Assistance:** NRC assists displaced persons to fulfil their rights and reach durable solutions. Areas of focus include housing, land and property, legal identity, statelessness and refugee status procedures.

**Shelter:** NRC supports displaced persons in all phases of a crisis, providing physical protection and dignity through a wide range of context-specific activities, including emergency shelter, housing, schools and the establishment of other forms of public infrastructure.

**Water, Sanitation and Hygiene (WASH):** NRC provides access to clean drinking water, sanitation and waste management facilities. In the longer term NRC works to expand equitable access to sustainable water sources and promote effective sanitation and hygiene practices.

NRC sees these core competences as relevant for all phases of displacement, with a strong focus on the emergency phase and to support steps towards finding durable solutions as soon as it is feasible in practice. NRC strives to develop all competencies in accordance with actions performed by other partners and in close collaboration with other NRC programmes, in order to ensure a strategic and relevant response to the local problems faced by displaced persons. Protection, Age, gender and diversity and Environment are considered cross cutting issues.

NRC conducts regional and intergovernmental outreach through its presence in strategic capitals such as Geneva and Brussels, including by working with the Internal Displacement Monitoring Centre (IDMC), which is a global leader in monitoring, reporting and advocating on internal displacement and the rights of IDPs. NRC also administers several standby rosters of experts that can be seconded to the UN and other agencies within 72 hours.<sup>6</sup> NRC is primarily a self-implementing organisation, working through a large number of field offices around the world. There are cases where NRC enters into partnerships to strengthen the fulfilment of humanitarian objectives, or to sub-contract implementation in situations where other organisations are better positioned to deliver humanitarian services, but NRC does not have any sub-granting agreements or a specific capacity building mission.

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<sup>6</sup> NRC web page [www.nrc.no](http://www.nrc.no) (August 2013)

### 3 METHODOLOGY

The list of qualification criteria consists of 60 criteria and is, through a decision by Sida's Director-General, officially established as the basis for assessing civil society organisations. It is derived from current government policies on civil society support and humanitarian interventions and comprises what Sida needs to know in order to accept an organisation as a recipient of government support. The list of criteria must remain unchanged to ensure that the grounds for decisions are transparent and consistent in relation to Sida's acceptance or rejection of a particular organisation.

It should be kept in mind, however, that some of the criteria are used only for CSOs and some only for humanitarian organisations in order to highlight the different objectives and operating environments for the two kinds of organisations.

#### 3.1 General approach

It should be noted that this assessment is not an evaluation in the sense that performance and goal achievements are recorded and analysed. Instead, it provides a comprehensive picture of the organisation at a particular point in time, together with a judgement of the likelihood that this situation will remain stable or change in a positive or negative direction during the next few years. However, the methodological approach and data collection tools are largely those normally applied for evaluations.

#### 3.2 The criteria used for the assessment

The qualification criteria list is structured along four main headings. In the work of operationalising the criteria, SIPU introduced a number of sub-groups under these four main headings.<sup>7</sup>

An "assessment framework" has been developed for each criterion. This consist of (i) a short *explanatory text*, based on an analysis of the criterion in order to understand its content and scope, and (ii) a number of *indicators* for assessing the criterion, developed on the basis of this analysis. This assessment framework is a measure to facilitate data collection, the structured presentation of findings, and the actual assessment of a criterion.

It is important to remember that both criteria and indicators have different characteristics; some are literally indicators, i.e. they point at something that is only *indirectly* measureable. Other indicators (and criteria) provide simple facts about whether something exists or not; they are not "indicators" but rather clear-cut *direct* measurements.

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<sup>7</sup> These are the headings and sub-headings that are used for the Findings and the Conclusions chapters in this report.

### 3.3 Data collection and sources

After an initial mapping of documents, provided by NRC, in relation to the expected ‘means of verification’ of the assessment framework, the assessment team concluded that there was a need to update the list through a dialogue with NRC at the head office and in the field, as well as with Sida. As NRC has been updating and re-organising its intra-net and digital archive, it has not been possible for the assessment team to have direct access to a database. A close communication with the NRC contact person was maintained throughout the assessment in order to minimise the additional work but the collection of material was somewhat more time-consuming than originally planned.

Access to relevant documentation was nevertheless satisfactory and the team assessed over 100 documents; including policy and strategy papers, country strategy papers, research papers, internal studies and surveys, internal and external audits, project documentation, evaluations, reports of workshops, protocols and financial reports and audits etc. (see Appendix I for a list of documents cited in this report).

It should be noted that the findings made during the data collection stage of the organisational assessment have, whenever possible, been triangulated in order to validate them and ensure that they are well anchored. Some 50 interviews have been conducted with NRC staff and other relevant stakeholders (see Appendix II for a full list of interviewees). In accordance with the assessment methodology, a field visit was conducted to an NRC country office. Myanmar was considered a relevant location to conduct the field visit as it covered the key areas of interest to Sida within this organisational assessment. During the visit, the offices’ administrative systems and processes were assessed and interviews were carried out with staff members, beneficiaries and a selected number of partner organisations.

### 3.4 Implementation Plan for Norwegian Refugee Council

**Phase 1** of the implementation of the organisational assessment was conducted as a desk review. An elaborated desk review provided the assessment team with greater insights about gaps in data, and where further documents needed to be gathered and/or complemented by interviews in Sweden/Norway and in the field.

Furthermore, a list of questions linked to the 60 criteria was shared with the organisation in order to encourage reflection on the existing system in a structured way. Initial reactions to the questions gave the team an increased understanding of where its analysis needed to be deepened.

**Phase 2** commenced with interviews that were carried out with key stakeholders, identified based on the outcome of the desk review phase. Interviews were first and foremost held with staff members at NRC, but also other actors connected to the organisation, such as board members, partners and relevant Sida programme officers were contacted. In general, the purpose of the interviews was to obtain missing data and to verify information already obtained. The initial interview phase was conducted by phone from Sweden after which a follow-up visit was made to the head office in Oslo, where the team sat down with key staff representatives for three full days.

In **phase 3**, the assessment team conducted a study visit to NRC's local office in Myanmar. The main focus of the assessment team's field visit was to review the organisational structure, management and financial system in place in the field offices, as well as external relations and fulfilment of objectives. The field visit also enabled the assessment team to verify findings obtained during the desk study phase and during the interviews in Sweden and Norway.

In **phase 4** the assessment team drafted a report that was later circulated through pre-established procedures, including one peer review and one quality assurance review by the overall team leader. NRC was also given an opportunity to comment on the findings before the final draft was submitted to Sida (with NRC copied) for comments and discussions 30 September. Sida provided comments to the draft and a final report was submitted 9 October 2013.

### 3.5 Limitations

An initial meeting was held with responsible staff at Sida to discuss approach and focus of the NRC organisational assessment. It was found that the organisational assessment would approach similar areas of interest as another on-going evaluation that had been commissioned by the Norwegian Ministry of Foreign Affairs (sponsored by Sida). In discussions with Sida, it was therefore considered important, to the extent possible, to reduce the burden of the organisational assessment on NRC. This would be facilitated by a close contact and dialogue with Sida throughout the process. Relevant information could be captured through a review of available documentation and complemented by the launch of the evaluation report, in August 2013. Unfortunately, the assessment team has still not had access to the full evaluation report in time of submitting its organisational assessment report (September 2013) and is therefore prevented to comment in detail on its findings. The team has, however, been able to discuss the major findings of the evaluation with NRC staff and responsible officers at the Norwegian MFA. As far as the assessment team has been able to compare the two reports, they both arrive at similar conclusions.

NRC is a global organisation with country offices in 20 countries. Neither the methodology, nor the assessment framework is designed for an organisation of such scale and range. The case study of Myanmar was selected on the basis of availability and upon request to study a country office that would be of interest to Sida. It was considered an interesting case, which had gone through a significant growth in the past few years. There were also several education, shelter and ICLA projects operational in Myanmar that could provide examples of how the organisation implements these core competence areas. It should be noted that while statements made about how NRC functions in field settings are based primarily on findings from the assessment team's field visit in Myanmar, June 2013, this is but one example and cannot be expected to provide a full picture of NRC as a global organisation.

Moreover, the Myanmar context is politically complex, which makes it challenging for NRC (and other humanitarian agencies) to maintain a strict humanitarian approach. It is also a medium size country office and quite isolated from the regional Asia dimension of NRC's international programme department. While providing a very fascinating case study, Myanmar is not a *typical* NRC country office and the team has been a bit careful drawing too broad

conclusions on the more substantial areas of concern from that visit alone. However, when it comes to organisational aspects, the Myanmar office should follow the same routines as all NRC's country offices.<sup>8</sup>

The organisational review has been conducted under a limited period of time (April-August 2013). While the team has reviewed a large number of documents, and followed-up by interviews and studies of external sources, the review summarises the impressions of the organisation at a particular point in time. NRC is currently going through an organisational and governance reform processes to address many of the issues that have been problematic in the past. Some of these processes have not been concluded at the time of presentation of this report. The team has attempted to provide its assessments of these processes, although to assure actual improvement and use of the introduced systems, it will be necessary to follow-up on this report on a continuous basis.

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<sup>8</sup> In its comments on a draft version of the present report NRC highlighted that it informed the assessment team that Myanmar was not a typical country office, but goes on to note: *"(...) we are glad to see from the comments in the report that this fact seems not to have limited the validity of the findings nor posed any major obstacle to concluding on our ability to deliver in the field."*

## 4 FINDINGS

### 4.1 The Foundation of the CSO

#### 4.1.1 The Foundation of the Norwegian Refugee Council

##### 4.1.1.1 Governance structure

In 2005, the NRC was converted from an association to a foundation with a board of directors and an election committee as the statutory bodies. It was a key step in the organisation's ambition to strengthen its capacity as a professional international humanitarian organisation.

The board adopted the current Articles of Association<sup>9</sup> in 2008. It outlines the mandate ('object') of the foundation;

*The NRC shall promote and protect the rights of all people who have been forced to flee their countries, or their homes within their countries, regardless of their race, religion, nationality or political conviction. This will be achieved by acting as an independent and courageous spokesperson for refugee rights nationally and internationally, by providing humanitarian assistance in emergency situations and by strengthening the capacity of UN organisations to offer and co-ordinate international aid and protection. The NRC shall, in all possible ways, seek to provide viable, durable solutions with regards to both its activities as a spokesperson and its emergency and relief efforts.<sup>10</sup>*

The foundation has a basic capital of one million Norwegian Kronor (NOK). All operations should be budgeted on the basis of collection, paid assignments, direct contributions and income from the work conducted. The Articles of Association also establishes decision-making structures (the board of directors, the election committee and the secretary general) and instructs their respective mandates.

The board consists of ten directors. These are elected based on their special competences in areas of strategic importance to the foundation. The chairman and deputy chairman have experiences from the private sector. There are also several academics and professionals with knowledge in the field of humanitarian affairs, conflict and political violence or with a background in Norwegian national politics or in donor agencies. Each director serves for three years and can normally be re-elected for two consecutive periods.

The employees of the foundation shall elect two members of the board and one member of the election committee. The election committee is responsible for putting forward candidates to the board. Ultimately the board of directors is responsible for electing new directors, new election committee members as well as the secretary general. Currently, the board consist of

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<sup>9</sup> Articles of Association of the Norwegian Refugee Council Foundation, Adopted by the Board of Directors, 3 December 2008

<sup>10</sup> Idem, §2

four women and four men, elected by the board, and two women as employee representatives.

The secretary general is responsible for everyday management of activities and can attend board meetings although without a right of decision. Key policies and evaluations are adopted by the secretary general while any major changes to the operations must be approved by the board.<sup>11</sup>

The decision to change status from a member-based association to a foundation in 2005 brought a discussion about the democratic governance of the organisation. The foundation has no memberships. Representatives of employees, management and board levels are involved in on-going discussions about the role of NRC and how to best meet the core values; i.e. how to be *dedicated; inclusive; innovative* and *accountable*.<sup>12</sup> At the board level, the general rule is to adopt decisions by unanimity.<sup>13</sup> While the presence of six board members is enough to take formal decisions, all board members should have seen the agenda and sign off on the protocols. All board members are jointly and severally liable under Norwegian law and should work from a holistic perspective<sup>14</sup>. Ultimately, the foundation is accountable towards its employees and donors and, not least, its beneficiaries.

NRC is primarily a self-implementing agency and the field offices have a high level of discretion under the overall policy framework. The role of the field offices is further discussed below in relation to organisational capacity and partner management. Implementing partners are occasionally engaged, although the country offices are effectuating the programmes and are responsible for follow-up and reporting.

Employees describe the tradition of raising difficult issues for ‘hallway discussions’ and taking decisions ‘on the spot’ as a positive democratic organisational culture.<sup>15</sup> With an increased number of tasks and rapid expansion of employees, many of the more informal decision-making structures that worked in a small organisation are currently strained. This is an insight that has gained increased visibility as the organisation has grown rapidly by 14 per cent per year in average over the last decade. NRC has initiated a major organisational reform and intends to establish a clearer structure in accordance with its mandate.

The roles and responsibilities of the (main) governing functions are described in officially adopted documents<sup>16</sup> and a new structure for the organisation is currently being introduced through a ‘governance process’. As the NRC expects the outcome of that process to be formalised in the second half of 2013, the assessment team has unfortunately not had access to of been able to assess the draft documents. This may have resulted in some reflections being made on the organisation ‘as it were’ rather than ‘where it is going’. Nevertheless, the

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<sup>11</sup> Articles of Associations of NRC § 4-9 and NRC Evaluation Policy.

<sup>12</sup> NRC Policy Paper, Adopted May 2012

<sup>13</sup> According to an interview with Gisele Marchand, Deputy Chairman of the Board

<sup>14</sup> NRC Instructions to the board of directors - adopted 7 April 2011, §8

<sup>15</sup> Interviews with NRC staff in Oslo, June 2013.

<sup>16</sup> See Articles of Association of the Norwegian Refugee Council Foundation; NRC Instructions to the board of directors; Instruction to the position of the secretary general etc.

assessment team has made efforts to assess the impact of on-going reform processes and how they are expected to strengthen organisational capacity.

#### 4.1.1.2 Value-base

NRC's vision is expressed as '*rights respected and people protected*' and its mission statement is to protect the rights of displaced and vulnerable people during crises. NRC describes itself as a rights-based organisation committed to the principles of humanity, neutrality, independence and impartiality. Its vision, mission and strategies are clearly expressed in policy papers, programme policy and other strategic documents. NRC aims to take action during situations of armed conflict, and engage in other contexts where its competencies are assessed to add value and it aspires to meet the different needs of men, women, boys and girls. NRC engages in emergency relief and early recovery, seeking to build and strengthen resilience of displaced populations to promote sustainability and recovery and as an independent actor it aims to advocate for their rights to be upheld and for lasting solutions to be achieved.<sup>17</sup>

NRC expresses a commitment to a rights-based approach. It adheres to a number of international standards<sup>18</sup> and is committed to ensuring participation, accountability, transparency and equality in its operations<sup>19</sup>. Key steering documents exist, including the policy paper<sup>20</sup>, the programme policy<sup>21</sup> and the operational strategy<sup>22</sup> (all described in more detail below). The code of conduct, which is considered a binding document and is signed by all staff, expresses NRC's commitment to the principles of non-discrimination, respect for human dignity and prioritising the most vulnerable<sup>23</sup>. The code of conduct, the anti-corruption guidelines<sup>24</sup> and the handbook for internal investigations<sup>25</sup> (as described in section 4.4 below) establish a structure for management and staff on how to relate to organisational rules and ethical standards. There is a general sense of commitment towards core values as well as of the NRC mandate. Employees have referred to the principles when describing operational implementation<sup>26</sup>. Analyses are made before initiating operations in an area where NRC as an actor could be perceived as biased towards a specific group of people<sup>27</sup>. The mission and vision statements, core values and basic principles are clearly communicated on NRC's webpage and through social media.

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<sup>17</sup> NRC Policy Paper, Adopted May 2012

<sup>18</sup> I.e.: Code of Conduct for the Int. Red Cross/Red Crescent and NGOs in Disaster Relief; Humanitarian Accountability Partnership; SPHERE Humanitarian Charter and Minimum Standards in Disaster Response; INEE Minimum Standards for Education in Emergency; 'Do No Harm' principles.

<sup>19</sup> Policy paper, p. 2

<sup>20</sup> NRC Policy paper, Adopted May 2012

<sup>21</sup> NRC Programme Policy: Humanity, Neutrality, Independence, Impartiality, April 2012

<sup>22</sup> NRC Operational Strategy and Plan of Action 2013, 27.11.2012

<sup>23</sup> NRC code of conduct

<sup>24</sup> NRC Anti-corruption Guidelines, Last updated: December 2006

<sup>25</sup> NRC Handbook Conducting Internal Investigations, DRAFT, NRC Security Section, January 2013

<sup>26</sup> Interviews in Oslo, June 2013.

<sup>27</sup> Case studies of Myanmar is discussed in this report

NRC applies a gender perspective; recognising and addressing men's and women's specific needs, vulnerabilities, and capacities. Gender is viewed in its broad context, explained as the '*culturally specific set of characteristics that identifies the social behaviour of women and men and the relationship between them*'. NRC's gender policy views gender as an analytical tool for understanding social processes, like the concepts of class, race and ethnicity, but unlike the concept of sex, which refers to the biological differences between women and men. The policy outlines NRC's objective, approach and legal framework in relation to gender.<sup>28</sup>

#### 4.1.1.3 Anchorage in the humanitarian field

NRC cooperates with actors at different political levels and geographical areas<sup>29</sup>, in particular with regards to UN OCHA as the main humanitarian coordination agency. It holds a consultative status under ECOSOC and a strategic relationship with UNHCR, including through its formal platforms such as the UNHCR Executive Committee, the Annual Consultations and the High Commissioner Structured Dialogue with NGOs. NRC is also a member of the informal group referred to as 'the big five' together with the Norwegian Red Cross, Norwegian Peoples Aid, Norwegian Christian Aid and Norwegian Save the Children. As the major humanitarian agencies in Norway, they meet and discuss issues of importance to the humanitarian field.<sup>30</sup>

NRC participates in the cluster coordination system and sometimes takes the lead in a particular cluster if it corresponds to its core competencies<sup>31</sup>. Moreover, NRC is regularly seconding staff as cluster chairs to different UN agencies, through the capacity roster NORCAP. In some locations (i.e. in DRC, South Sudan, Afghanistan, Colombia and oPt) and in some sectors (in education, protection or ICLA), there is a coordination between NORCAP seconded personnel as cluster leads and NRC staff as cluster co-leads or leaders of task forces. NRC has an ambition to generate more synergies out of these collaborations, and to use the experience from the relevant countries to influence the global discussions that are taking place in Geneva and in New York regarding cluster-related issues.<sup>32</sup>

NRC sometimes makes use of implementing partners, for example in remote and inaccessible areas where it has difficulties reaching the beneficiaries on its own. These implementing actors are typically not seen as partners in a broader sense, but rather as sub-contractors engaged to fulfil the mandate. In other cases, in countries where civil society is strongly developed and that are no longer in an acute emergency phase, NRC enters into partnerships with local NGOs. Even so, capacity building is not seen as the primary purpose of the partnerships. Some discussions are emerging on how to increase collaboration and capacity building of the implementing partners. Collaboration with local authorities is sought when needed to fulfil the mission (see section 4.2.3 for a more detailed discussion).

NRC maintains a high level of competence on humanitarian aid and the practical application of the humanitarian principles in emergencies. Age, gender and diversity as well as

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<sup>28</sup> NRC Gender Policy, Approved by the NRC Management Group, June 2007

<sup>29</sup> See Appendix III for a detailed list of networks in which NRC is a member

<sup>30</sup> NRC Fokus doc.nr. 220142

<sup>31</sup> See Appendix V for a list of participation in cluster coordination worldwide

<sup>32</sup> NRC Fokus doc.nr. 220142

environmental considerations are systematically integrated in policies. NRC works directly on gender issues in its programmes and has, over the last years, focused specifically on women's rights to land and property. It has decided to pilot gender-based violence components in up to five countries, starting in 2013. NRC's commitment to participation, accountability and transparency through its rights based approach<sup>33</sup>, composes a democratic foundation. As a humanitarian actor NRC is not, however, directly working on democratic development or environment and climate change as described in the Swedish CSO-strategy.

## 4.2 Systems for internal management and control

### 4.2.1 Operational management and strategic leadership

#### 4.2.1.1 Management

The assessment team assesses the current management team to be competent and to possess the knowledge and skills relevant for their respective positions. They are recruited both from within and outside of the organisation. Interviews with management team representatives have verified that they bring a wide range of experience not only from the humanitarian field, but also from organisational and financial management and control, communication and public relations. The established code of conduct and anti-corruption guidelines provide ethical rules and procedures to address and manage conflicts of interests and irregularities in professional behaviour. The assessment team has picked up a strong commitment among staff in the head office to adhere to these ethical guidelines.

The current management team includes the directors of the international programme department (also the deputy director), emergency response, advocacy and information, external relations, security and administrative departments, including the director of the human resource department currently under the administrative director (see organisational chart in chapter 2). The secretary general leads the management team.

The secretary general is authorised by the instructions to run the daily operations, including maintaining contact with external partners and donors, implement budget and programme decisions and hire staff. The secretary general can delegate decisions to relevant management positions but is ultimately responsible to the board. Strategies and reports are regularly updated to guide operations, including yearly narrative and financial reports on status and achieved results. The secretary general is responsible to inform the board of their status as well as of upcoming plans. Proposals when starting up operations in a new country and other issues of extraordinary importance should be presented to the board, which has the power of decisions over such matters, including of the organisation's operational plans and budgets.

NRC is a member of the Humanitarian Accountability Partnership (HAP) and undertook a HAP baseline study in late 2010/early 2011, using its Caucasus regional programme as the country example. The main finding was that while NRC has a lot of the elements in place that constitute an accountability framework, it is not formalised. NRC was fulfilling all benchmarks

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<sup>33</sup> NRC Programme Policy

except for information provision and complaints handling.<sup>34</sup> The results of the baseline are further discussed below.

Preceding the HAP baseline study, the Norwegian Agency for Development Cooperation (Norad) commissioned an organisational performance review as early as in 2006. A follow-up review was commissioned in 2009, which was followed by some internal NRC studies on the main organisational strengths and weaknesses in 2011. An 'organisation project' was setup, to respond to the weaknesses identified in the several external studies, with the *pro bono* support of external consultants (Boston Consulting Group). Several steps have already been taken on route to an endorsed governance model. Instructions are established for the secretary general and board of directors. The financial handbook regulates roles and responsibilities in relation to financial management. All units within the organisation have their individual balanced scorecard linked to the specific mandates and tasks. The new governance model, currently being processed, will (according to NRC) include a complete accountability framework, including specific instructions on all roles and responsibilities for key positions, and other issues that are central for the management of the organisation.

The external reviews are discussed in more detail below (mainly in section 4.4), and elements of the 'organisation project' are addressed predominantly in section 4.3. The assessment team assesses NRC to have a well-functioning overall operational management and strategic leadership. The team is, however, hesitant to draw too far-reaching conclusions on the results of the organisation project, without having been able to study the new governance model and strategic frameworks in greater detail.

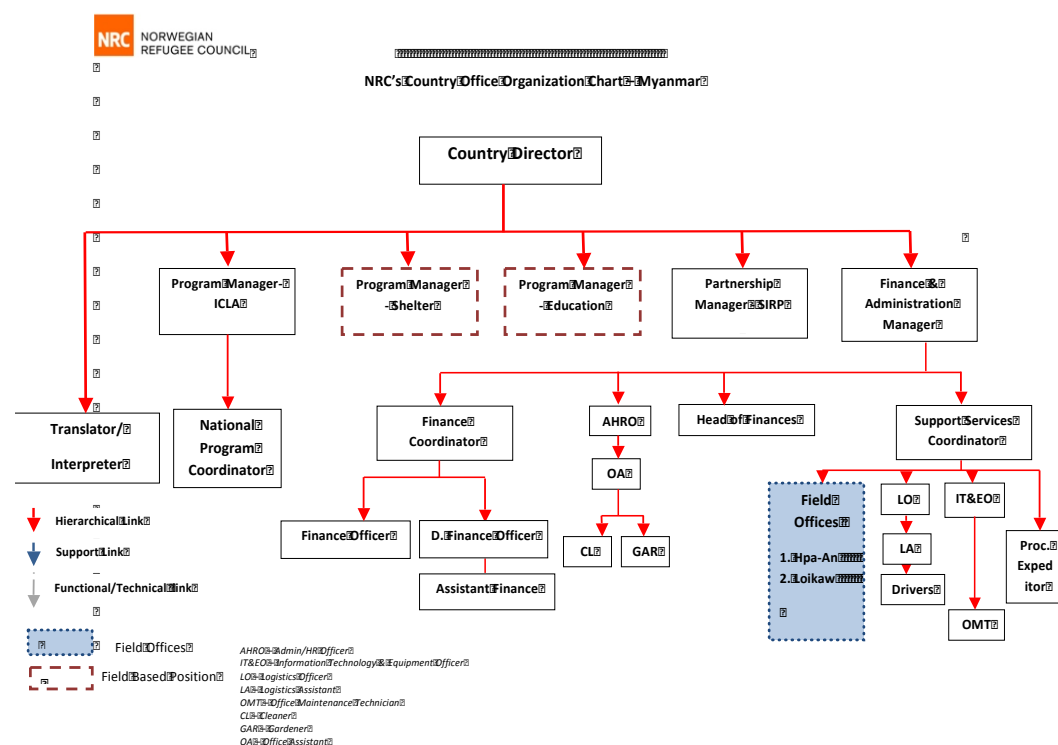
#### **4.2.1.2 Country office management**

The country offices are NRC's main implementing bodies in humanitarian crises. Each country office is responsible for all programme activities within the country. The Country Director is the head NRC representative and manager of the implementing body for each country office. The picture below<sup>35</sup> outlines the implementing structure of the Myanmar country office. Country offices are responsible to set up individual annual strategy processes to produce and update a country strategy and to produce proposals to donors. The country strategy is the main programme document guiding the operations. Any initiated project must relate to the mandate of the organisation, the strategic plan for the country and the current plan of action in that country (the annual budget process is further described below under section 4.3.2 Potential to achieve results).

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<sup>34</sup> NRC Report of Baseline Analysis against the HAP 2007 Standard, Facilitated by Dr Jamie Munn, 21-25 February 2011

<sup>35</sup> NRC's Myanmar Country Office Organization Chart – Last updated on 04/06/2013



The country director should ensure that the country office complies with relevant policies and procedures, submit reports and meet deadlines. The director is also responsible to hire sufficient and qualified personnel and to initiate fundraising and ensure diversification of the donor base. The project managers at the country office maintain narrative and financial control of the project portfolio, prepares budgets, proposals and formal reporting to donor. The project managers should monitor over- and under expenditure against the budget and manage and control all cash as well as monthly request cash for the following month for the relevant projects.

As a focal person between NRC head office controller and the country office, the finance and administration manager (FAM) is responsible for all financial issues at the country office level, including coordinating the country office audit. The financial situation should be analysed regularly and action on relevant matters should be taken or brought to the attention of the project manager/country director. Quality checks are made of all budgets as well as internal and external reports, including monthly financial reports, before submission to the controller in Oslo<sup>36</sup> (see further descriptions of the NRC *internal control mechanisms* under section 4.2.2 below).

NRC has improved its human resource framework and routines to allow for a higher ratio of employment of national staff in the country offices. (See further section 4.2.2 below, under *human resources*). The strategy to engage national staff should be seen in the light of NRC's aspirations as an international professional humanitarian actor and ambition to support local

<sup>36</sup> Examples of this was witnessed in Myanmar country office

capacity building. The Norwegian MFA sees the recruitment of and support to competent national staff as one of NRC's major strengths<sup>37</sup>.

#### 4.2.1.3 Financial Handbook

A comprehensive financial handbook<sup>38</sup> is established and considered a working document that can be revised on a needs basis. It outlines internal management and control and financial support systems, including roles and responsibilities of programme and financial staff and of the country office with regards to financial management. It defines financial project routines as well as routines on bank and cash management, general accounting procedures and audits. It also guides the employee in daily routines and provides an emergency evacuation list with regards to financial management.

The financial handbook generally regulates project budgeting, including costs in addition to those that are directly related to the project activities. No country office is allowed to use NRC's own funds without approval from the head office. The basic rule is that the budget should cover all direct and indirect costs related to the programme. There must be a clear connection between the project budget and the description of objectives and expected outputs in the project proposal.

The financial handbook further requires all economic activity in NRC to be audited, without exception. The country office auditor should be a large, well-renowned auditing company. If possible, it should be formally connected with one of the large, international audit groups, such as Ernst&Young, KPMG, Deloitte or PriceWaterhouseCoopers. International auditors from other locations in the region or local agencies can be considered if international auditors are not present near the country office. The country office should ask for at least three quotations for auditing services make a bid comparison form and send a suggestion to the controller and the director of finance and administration in Oslo.

The financial reporting and control system is addressed in further detail under section 4.2.2 Financial management and control (below).

#### 4.2.1.4 Donors

The donor strategy 2011-2013 (to be revised in 2014) establishes eight criteria for selection of strategic donors and presents four strategic objectives for the organisation during the strategy period; 1) *secure flexible and predictable funding*, 2) *maintain/develop a strong relationship with strategic donors*, 3) *secure its competitiveness in a changing donor landscape*, and 4) *secure funding that facilitates acceptance and increased access*<sup>39</sup>.

Proposals, budgets and reports to the donors must be done according to each donor's regulations and correspond with the signed project agreements between the donor and NRC. Specific donor fact sheets have been developed for this purpose. There must be a written

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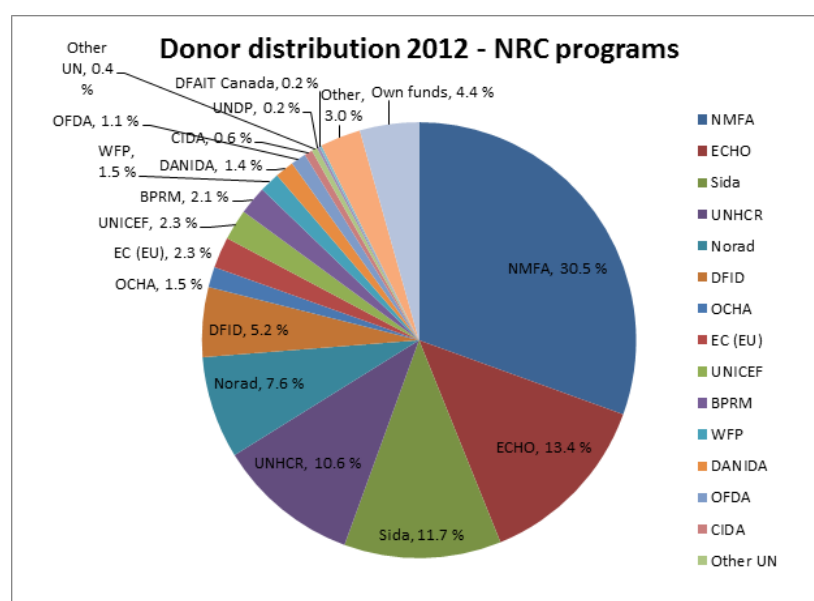
<sup>37</sup> Interview, September 2013.

<sup>38</sup> NRC Financial Handbook May 2012, updated December 2012

<sup>39</sup> NRC Institutional Donor Strategy 2011-2013, Presentation to the board, ppt International Programme Department, 16 June 2011

contract between the donor and NRC as implementing agent for a given project. The project managers at the country office are responsible to prepare the narrative and the budget, while the head office approves and submits the final proposals to the donors.

NRC has traditionally relied on one or a few donors. In 2002, the Norwegian Ministry of Foreign Affairs and Norad contributed 70% of the total funds. This has (historically) made it fairly easy for NRC to produce reports on expenditures and financial status. Parallel to an intense organisational growth and expansion of operations in new countries, NRC has established linkages to many new donor agencies. Currently, NRC's main funder (Norwegian MFA/Norad) is contributing with 48% of the total budget while ECHO (13,4 %), Sida (11,7%) and UNHCR (10,6%) have emerged as significant contributors (see picture below).



While significantly reducing the financial risk of being dependent on just one source of funding, the production of applications and reports to the larger number of donors have demanded increasingly more staff resources and put a heavy burden on the organisation. The current financial system also contains many manual components, indicating several risks in relation to financial control (as also noted by the on-going evaluation, commissioned by the Norwegian Ministry for Foreign Affairs). NRC is addressing such risks within the current reform process, including through the establishment of a new IT system to help manage large quantities of information on financial flows within the organisation (see further section 4.2.2 below).

NRC has established framework agreements with the Norwegian MFA, Norad, Sida and DFID. In line with its donor strategy, these strategic partnerships have facilitated capacity development of the organisation, as some of the funds have been more flexible and others earmarked for specific objectives related to strategic strengthening of methods and systems. The Norwegian MFA sees NRC as a strong partner in implementing its humanitarian policy and its global partnership agreement with NRC covers all countries of operation<sup>40</sup>. The recent

<sup>40</sup> Interview, September 2013.

framework applications to Norad and DFID contain more systematic approaches, which build on the macro log-frame methodology (as described elsewhere in this report in relation to the discussion on an accountability and RBM frameworks). NRC has also applied and been pre-qualified as an implementing partner for DFID's rapid response facility, which will likely provide more flexible and easy accessible funding in humanitarian emergencies. Sida has already contributed ten million SEK per year to NRC's RRM through the three-year framework agreement.

The funding from private donors has been very small in comparison and primarily deriving from fundraising campaigns addressing the Norwegian population. In 2012, a total of 42,7 million NOK (out of 1,4 billion NOK in total revenue) was raised from the general public and advertisements in NRC's magazine (*Perspektiv*). Approximately 60 per cent of this fundraising consists of donations from dedicated sponsors ('faddere'). There are also regular TV-campaigns, which generate important flexible funds.<sup>41</sup>

NRC has identified a potential to increase the share of business actors in its private donor base and has recruited a new head of corporate fundraising. Over the next three years, NRC aims at systematically building partnerships with corporate donors and is developing concepts of 'packages' that may be attractive for the purpose. One idea (yet not fully shaped) is to engage business actors in innovative projects supporting humanitarian action and coordination in response to humanitarian disasters.<sup>42</sup>

## 4.2.2 Financial management and control

### 4.2.2.1 Financial routines and responsibilities

According to the financial handbook, the director of finance and administration in Oslo holds overall responsibility for NRC financial management. The director should decide on issues concerning the financial management of NRC and sign the audit agreement for every country office. The director also decides on actions to be taken in case of major irregularities, such as approval of funding advances on projects not yet approved by a donor or if administration support to Oslo is below 5%. The head of administration must approve expenditure of funds that may be pledged but not yet received from donors.

The chief accountant at the finance and administration department has overall responsibility for all accounts in NRC worldwide. A consolidation of accounts is collected from the country offices within the 15th the following month. These are compiled into periodic internal and external financial reporting on NRC total accounts. The chief accountant is also responsible for maintenance and development of the Agresso financial module and of NRC currency regime, including purchase of foreign currencies and the planning of annual closure of accounts, including preparations of yearly reports.

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<sup>41</sup> NRC Annual Report 2012 (<https://www.nrc.no/?aid=9160693>, August 2013)

<sup>42</sup> Interviews in Oslo, June 2013

As of the accounting year 2008, NRC applies an accounting standard for non-profit organisations<sup>43</sup>, which sorts operational costs under three main categories; humanitarian activities, fundraising and administration. Humanitarian activities are split into the different operational activities and profit and loss account is classified by activity.<sup>44</sup> In addition to the direct programme costs (such as materials, goods and services), the NRC supporting costs (indirect programme costs) are also included in programme budgets (i.e. NRC personnel costs, premises, communication, travel, transport etc.). An additional administrative supporting cost is added to the programme budget. It varies depending on the donor but typically amounts to 7% of total budget. This should cover head office expenses, including finance and technical support, which cannot be attributed directly to the programme.

#### **4.2.2.2 Accounting**

The current accounting system is based on Agresso but also consists of several elements where excel sheets are used to record data that is later inserted in the database. Donors may require a certain budget format in proposals or financial reports. The financial handbook requires each budget line in the donor's budget format to connect with one or more accounts in the NRC chart of accounts.

A project information form (P-info) has been developed in the format of an excel template workbook file, as the basic tool for financial planning and as a basis for registration of project and budget data to the NRC accounting system. All basic project information necessary for financial follow-up is included in the form, including head office and country office budgets. The location of payment determines whether an item is included in the head office or the country office budget. All project costs paid at NRC Oslo (expatriate salaries, travels, insurance etc.) are to be listed in the head office budget, and all local costs in the country office budget.

Every country office is also responsible to submit a budget proposal overview form, which should contain all granted and planned projects for the budgeting year, showing project codes, donors, expatriate salaries, costs and expenses distributed on the projects etc.

The current financial code does not allow for easy access to activity reports and donor accounts. NRC is currently upgrading its entire IT system, including financial management system. Due to very weak Internet access in many locations where the NRC operates, it will probably still not be possible to fully utilise a web based financial management system. At the local level preparations can be made in excel for easy upload to, and download from, the software at certain intervals. The new software version should be able to address most of the identified risks related to the manual accounting procedures (as also assessed by the team of evaluators commissioned by the Norwegian MFA).

#### **4.2.2.3 Internal control**

The finance and administration department also consists of nine controllers with responsibility for direct accounting and financial monitoring in 2-4 country programmes per function. The

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<sup>43</sup> The Provisional Norwegian Accounting Standard on Good Accounting Principles for Idealistic Organisations

<sup>44</sup> NRC Financial Annual Report 2010

controller is the focal person of the finance and administration manager (FAM) in the relevant countries and responsible to support country office and head office in all financial issues. The controller's responsibility includes monitoring of the financial development in the programmes throughout the project cycle, training of staff in financial policies and procedures, approving budgets and financial reports before submission to donor and preparing financial project audit at head office.

The controllers make regular visits to the country offices, at least once a year, whereby internal control routines are carried out. A controller's checklist has been established to support the controller in monitoring compliance to financial management routines. The checklist includes issues related to routines for book keeping and cash management, backup and internal control systems, correspondence to budgets, bank accounts, random samples of transactions, implementation of contracts with personnel and suppliers and the task to report back to the director of administration and finance, outlining actions for improvement. NRC head office use the controller report to follow up on the improvement areas for each office.

The controllers are thus both playing a supporting and controlling role *vis-à-vis* the country offices. The assessment team has noticed that controllers have been under severe pressure, mainly due to the rapid expansion of programmes and to the on-going reform process with many new structures and methods being introduced. Nevertheless, the team has not been able to identify any major flaws in the internal control routines. NRC claims that basic capacity is there and that it will be strengthened through the on-going governance reform process. Indeed, the establishment of a new IT system, facilitating sharing of financial information and reporting will most certainly help alleviate some of the pressure. Nevertheless, as within any organisation that is going through a rapid growth, there is a need to balance an increased workload with sufficient staff resources. Not only to maintain financial control but also to ensure effectiveness in operations and follow-up.

The programme advisers, in the international programme department, work closely with the controllers. They are responsible to ensure budgets' alignment with strategy and plan of action. This includes monitoring of the funding situation and make sure pledged funds are received; monitoring the financial situation and coordinating budget revisions in dialogue with the controller; coordinating project proposals and formal reporting to donors, ensuring application of correct project documentation and filing instructions before submission. The section heads should also approve all country director related costs.

At the country office level, the FAM makes regular visits to all field offices in each country of operation, with the purpose to follow-up and to carry out internal control routines. A field visit checklist<sup>45</sup> has been established, including issues related to the handling of cash, correspondence between book keeping, documentation and actual expenditure, compliance to contracts with personnel and suppliers. The checks are performed on a random basis and a report should be sent to the country director, outlining findings and agreed measures for improvement.

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<sup>45</sup> Financial Handbook, Annex 2

#### **4.2.2.4 Audits**

The financial reporting system and the accounts of the whole organisation are audited at the level of head office. Each country office should also go through a full external audit at the end of every financial year. As principal auditor, the auditor at head office level should confirm total expenses per project, confirm the income based on the grant letters from donors and audit the total financial statements of NRC with the country office audit reports as a foundation. The administration director is responsible to contract auditors and contracts should be issued in two originals, one for the country office auditor and one for NRC head office. While an assignment fee must be agreed upon yearly, the contract is considered on-going and the financial handbook does not regulate how to change auditor.

The current principal auditor is Ernst & Young, Oslo. NRC has contracted the same principal auditor for the last 10-15 years. While there is an argument to be made that it is healthy for NGOs to change lead auditor at regular intervals, NRC argues that the firm has the necessary knowledge of the organisation and its peculiarities as an international humanitarian actor. NRC's principal auditor has issued interoffice engagement instructions<sup>46</sup>, outlining the key reporting deadlines, audit deliverables to be submitted and communication guidelines. All auditors engaged by NRC around the world are obliged to follow these instructions. The country office auditor must communicate any output from the instructions directly to NRC's principal auditor.

The country office auditor is tasked to control compliance with national laws and regulations, evaluate and comment upon internal financial controls, perform tests of transactions, employee benefits and of the financial and accounting systems. The audit should confirm the country office expenses on each project for the financial year, the income, if received in country office, on each project for the financial year and the trial balance per 31 December every year.

NRC's annual global financial reports (2010, 2011 and 2012) show no major deviations. Audit reports (2011 and 2012) have made no major marks on financial status or accounting standards. The main risks highlighted are related to cash flow challenges (as many pledged funds arrive late in the year) and routines to manage the access to large amounts of cash. Some minor incidents have been reported on breaches to internal routines for cash management in single countries. The 2012 audit process revealed instances where adequate responses to questions regarding large cash withdrawals had not been received, where open checks had been used and where there had been deviations between bank accounts and book keeping accounts.

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<sup>46</sup> See Ernst and Young: EYG 500ML (April 2010) Norwegian Refugee Council interoffice engagement instructions, December 31, 2012 audit for EY and non-EY auditors (2 separate doc.)

The principal auditor had also highlighted some deviations from the budget with no prior requests made according to established routines. These concerned the reallocation of donor funds from one budget line to another in excess of 10%. It was suggested that the rules should be adjusted so that approval must be sought for reallocations over 30% of budgeted funds, while a deviation between 10-30% would only require a qualitative validation towards established goals.<sup>47</sup>

According to NRC, these concerns are not related to a lack of procedures and regulations, but rather stem from the fact that not all staff members at all times adhered to the existing rules. NRC reassures that it has taken action on all the issues mentioned in the report and is looking into how to reinforce the compliance with existing procedures rather than setting up new or different procedures. Overall (as pointed out by NRC) in its cover letter to the 2012 audit report (June 2013) Ernst & Young confirmed that *'we have nothing material to report from this assessment, and our overall assessment is that NRC has adequate and effective internal control in its field offices'*.<sup>48</sup>

#### 4.2.2.5 Human resources

As part of the development of a new governance model, the new human resource policy is to be approved by the board of directors in the second half of 2013. It has been developed through a process that has involved staff at all levels, including the country directors who are responsible to recruit the staff in their respective country offices. The policy is valid for the whole organisation under the secretary general, excluding of the board of directors. It covers recruitment, leadership and staff management, health and medical care, organisational development and capacity development and training of staff.

NRC has four levels of employment categories; head office, international staff, national staff and secondments. The latter category is managed by the emergency response department, through the roster capacities. All staff are obliged to sign: i) the code of conduct; ii) the chapter 3.4 *Blowing the whistle* of the explanatory notes; and iii) the security policy (each country office has developed country specific security policies). NRC employs over 3000 personnel in about 20 countries. Through the emergency standby forces an additional 850 men and women can be recruited on 72 hours notice to deploy anywhere in the world under UN or another international organisations with humanitarian aid and emergency relief operations.<sup>49</sup>

At the head office level, there are 120 full-time employed personnel with specified job descriptions. There is no requirement for staff to rotate within the organisation or to take posts in field locations. A leave of absence can be granted up to four years. An additional 80 staff are employed at the head office on short-term contracts. The turnover of staff is at about 10-12 per cent. While NRC defines itself as an international actor with 50 nationalities represented among its staff, the head office consist of mainly Norwegian citizens. Only 14 per cent of the staff at Head office is non-Norwegian. 60 per cent are women.

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<sup>47</sup> Ernst & Young Oslo, Stiftelsen Flyktinghjelpen, Oppsummering av revisjonen for 2012, 13 May 2013

<sup>48</sup> Cover Letter to Audit Report, June 2013, Tommy Romskaug, Earnst & Young.

<sup>49</sup> <http://www.nrc.no/?aid=9160690> (August 2013) and Interview with head of human resource department (June 2013).

Each staff member has an individual job description. The geographic and/or thematic responsibilities in the job description are presented in a performance appraisal system; linked to an overall balanced scorecard for the particular area of competence. This system facilitates follow-up and performance measurement in relation to NRC's overall goals and objectives as an organisation.

There is no direct link between performance and salaries in the system. Instead, salaries are set on the basis of the years of relevant experience. An additional "unity pack" of compensations is adapted to the level of costs and hardship environment in each country office. Salaries for international staff are adjusted every twelve months according to a pre-set scale. At head quarter level, NRC follows the Norwegian national model for wages with yearly negotiations<sup>50</sup>. A key reference is the level of salaries in the five largest Norwegian NGOs in the humanitarian field (the 'big five'). NRC does not have the ambition to compete for the most qualified personnel with high salaries alone. Instead, an acceptable financial compensation should be seen in conjunction with a stimulating working environment and meaningful tasks to perform. Sometimes there have been difficulties in competing for personnel with other international actors (primarily UN agencies), but overall NRC is perceived as an attractive employer and staff members are generally very experienced, competent and committed<sup>51</sup>.

International staff members are obliged to sign a terms of employment<sup>52</sup>, which regulates obligations and benefits such as salary and allowances, insurance, health and accommodation. There are also regulations for travels and for the termination of the contract. National staff are not covered by these terms of employment. A separate guideline<sup>53</sup> has been established to regulate the general relationship between the national staff and the employer (NRC). In addition to the general regulations and benefits that go with the employment contract, the guideline document also includes reference to the overall staff policy, information sharing and staff inclusion, recruitment, administrative routines and competence building issues. Disciplinary measures and definitions of property are also covered by the guideline document, which is to be seen as a management tool and interpretation of the staff policy in relation to the staff-employer relationships worldwide.

### 4.2.3 Partner management

#### 4.2.3.1 Capacity Building

NRC is primarily a self-implementing organisation. It works through a large number of field offices around the world, rather than through national or local implementing partners. NRC does not have any sub-granting agreements. There are cases where NRC enters into

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<sup>50</sup> Særavtale mellom Foreninger Tillknyttet Akademikerne og Flyktinghjelpen, Oslo 31. oktober 2012.

<sup>51</sup> Interviews conducted in the Myanmar country office and the head office in Oslo enforce this.

<sup>52</sup> NRC Terms of Employment for International Employees, of January 2012, For Employees Engaged for Services at the Norwegian Refugee Council's Offices or Projects Abroad.

<sup>53</sup> NRC Employment Guidelines for National Staff, November 2010, For National Staff Employed and Paid by the Norwegian Refugee Council in the Field

partnerships to strengthen the fulfilment of humanitarian objectives, or to sub-contract implementation in situations where other organisations are better positioned to deliver humanitarian services. But NRC does not have a specific capacity building mission and does not enter into partnerships primarily for the sake of supporting or strengthening local organisations.

There are cases where NRC organises local community based organisations (CBOs) to replace private contractors in the implementation of certain parts of projects in the field. The team saw examples of this in Myanmar, where CBOs were used for construction of shelters and schools. Some 40% of the total funds provided by Sida for NRC's country programme in Myanmar are used for contractors, including both private companies and local implementing partners in the form of CBOs.<sup>54</sup> These types of partnerships do have elements of capacity building in terms of basic financial management and monitoring and mentoring by NRC engineers, but this is a bi-product rather than a specific aim of the activity.

There is a tendency within NRC to increasingly include more capacity building elements and closer monitoring of contractors, in order to respond to donor demands and support the local capacity. In countries where civil society is strongly developed and that are no longer in an acute emergency phase, NRC is also working with partner organisations beyond the sub-contracting model. According to NRC, some of these partnerships have lasted for several years and allowed for *mutual* learning and continuous exchange of experience and knowledge. With reference to the criteria set up for partner management, however, the primary objective is not capacity building and NRC does not enter into partnerships primarily for the sake of supporting or strengthening local organisations.

In light of the above, in relation to the criteria dealing with *partner management* in the review framework, the assessment team has chosen to assess NRC based on the management of country offices. It should also be noted that statements made about how NRC functions in field settings are based primarily on findings from the assessment team's field visit in Myanmar, June 2013.

In most cases, an NRC field office has a large number of national staff – in Myanmar for example, NRC has 125 national and eight expatriate staff. A "National Management Training Programme" (NMTP) was implemented in 2012-2013 as a concerted effort to train and prepare a group of 24 national staff members for future leadership positions. This is part of NRC's ambitions to strengthen capacity of staff within the countries of operation. While there seems to be a conscious effort to hire or promote national staff to management positions, senior management positions are typically staffed with international experts. The whole senior management team in the Myanmar are currently international staff.<sup>55</sup>

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<sup>54</sup> A total of 2,676,033 SEK (*out of 6,542,056 of Sida funding for 2012*) was used for contractors.

<sup>55</sup> NRC explains that this had just recently changed at the time of the assessment team visit. Before March 2013, there had been three national staff on the senior management team. Two national staff members on the senior management team had resigned in March and April, respectively, and one had been fired in May.

There seems to be a genuine interest from NRC, as an organisation and from individual staff members, to be close to operations and understand the field perspective. To the extent possible, management staff is posted close to implementation, also in remote areas. In Hpa-An in Southeast Myanmar, the only three foreigners with permission from the government to reside in the town, were the two NRC managers stationed at the Hpa-An office.

#### 4.2.3.2 Risk management

Risk analysis and assessment is an integral part of NRC's work. The risks related to corruption are mainly covered by the anti-corruption strategy (addressed in section 4.4 below). There is a corporate policy for how to conduct risk assessments, and the team has observed this policy being translated into actual risk analyses in the field. Staff members are familiar with risk analyses and management. The *strategic management toolkit* contains a chapter on risk assessment, which states that:

*The management of risks is a central issue in strategic planning and management. In risk management, risk is defined as the chance that something happening will have an impact on objectives. The purpose of risk assessment is to provide information for use in risk management.*<sup>56</sup>

The handbook proposes that risk is placed along the two traditional axes of a risk matrix: *likelihood* and *consequence*, in order to determine the severity and calibrate mitigating measures. The score for likelihood (1-3) is then multiplied with the consequence score (1-3), providing a total risk score of 1-9.

The NRC country strategy for Myanmar has a well developed context- and risk analysis. NRC's proposal to Sida for its Myanmar programme 2011-2013, contains a risk matrix with five identified risks, given total scores ranging between 1 and 6: *i) target groups for shelter are subject to further displacement; ii) security situation deteriorates beyond NRC's risk acceptance; iii) visas and access to target population not granted in timely manner; iv) worsened political situation and decreased commitment and participation by key stakeholders; and v) local authorities interfere in tendering and procurement.*<sup>57</sup>

Myanmar is a highly complex political environment, and a very challenging context for humanitarian organisations; challenges ranging from political interference, the risk of violent clashes and resumption of armed conflict, wide spread racism and discrimination, and high levels of corruption. The team was referred to a document called a 'red lines'-document, supposedly outlining some of these challenges and guiding staff members in to navigate the complex environment. But the document provides fairly limited guidance on how to practically link programme implementation with the dynamic political reality, how to do-no-harm and be sensitive towards potential conflicts and generally how to manoeuvre and balance a limited mandate with potential political demands in the midst of an on-going peace process.

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<sup>56</sup> Strategic Management Toolkit

<sup>57</sup> NRC country strategy for Myanmar

In practice, however, the team considers NRC staff in Myanmar to be well versed in making microanalyses as needed on a day-to-day basis, based on the overall country analyses. There also appears to be a culture of constant discussion of challenges and the political developments in the country at the NRC offices. Country strategies are produced on a yearly basis and involve inclusive discussions among the staff on how NRC's mandate should best be interpreted within the existing context.

Similarly, the team has understood that NRC works *in practice* with an integrated conflict sensitivity perspective and has setup a support structure for operational staff in how to apply a do-no-harm perspective on programming in an environment presenting political military and overall security risks. Nevertheless, the overall policy framework contain little guidance on conflict sensitivity, which goes beyond awareness of risks and threats against the programme and includes an integrated perspective of how the programme influences and is influenced by the surrounding environment.

In its annual report 2012, NRC describes what is defined as the *most serious security event* in its more than 60-year long history. An attack of an NRC convoy in Dadaab, Kenya, led to the killing of one driver, two employees being seriously injured and an additional four people kidnapped.<sup>58</sup> The management level made the issue a priority for the organisation and diplomatic contacts were engaged. The kidnapped were rescued three days later. NRC has made efforts to follow-up on the event to identify weakness in its own system for security and crisis preparedness.

As a result of the external review process that followed the kidnapping in Kenya, NRC has developed a *security risk management guide* to provide guidance for the preparation and use of security risk assessments. The document notes that such assessments are '*a critical component of the Security Risk Management (SRM) process. It is a structured process for assessing the risk to your operation, adapted to the day-to-day operations to identify threats and assess risks*'.<sup>59</sup>

NRC also has a template for a security plan to be updated annually at HQ and each field office, a *compliance checklist* for minimum operating security standards (MOSS), as well as a format for rapid field security risk assessment for specific projects or components of projects. These documents cover staff, partners and beneficiaries. The assessment team did not visit an NRC country programme in a high risk environment, but observations from the field visit confirm that the security system is used and taken seriously in field operations, even where risk levels are not critical. This finding is also supported by available documentation from other field offices.

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<sup>58</sup> NRC Annual Report 2012.

<sup>59</sup> NRC Security Risk Management Guide, no date given.

#### 4.2.3.3 Humanitarian needs assessments & rapid response

The assessment team's assessment of NRC programme documents shows that the organisation's programming is based on solid needs analyses. Thematic handbooks for assessment of needs and gathering of relevant data, and matching them to NRC resources, exist and appear to be used by field staff.

NRC is also one of three members of the ACAPS<sup>60</sup> consortium, together with *HelpAge International* and *Merlin*. ACAPS was created in 2009 to help improve assessments of humanitarian needs in complex emergencies and crises. ACAPS has a standing capacity to deploy, upon the request of the resident or humanitarian coordinator and the relevant humanitarian country team, an assessment coordination team to support responses to acute crises. The consortium also has a fully staffed joint office in Geneva, developing and providing tools and engaging in training of humanitarian actors around the world. ACAPS is endorsed by the Good Humanitarian Donorship Initiative and receives funding from many of the world's largest humanitarian donors.<sup>61</sup>

NRC has identified a need to strengthen its internal capacity for rapid response in the event of acute emergencies. Experiences from the NRC assessment of needs and internal capacity to contribute to victims of the 2011 tropical storm in the Philippines showed that although the formal decisions could be taken in time, there was a great challenge to attract funding for rapid response. Learning from this experience, NRC set up a rapid response team in 2012. In its operational strategy and plan of action for 2013, NRC declares the ambition '*to have 4 new acute emergencies assessed and responded to with support from the Rapid Response Team*'.<sup>62</sup>

Sida's framework support to NRC includes a rapid response fund of ten million SEK annually. Each country office can apply for support for emergency projects from this rapid response fund. There is a limit of two million SEK per country office per year. A circular was sent to all country directors with information about the allocation of the Sida grant per country office and about the possibility to apply for additional funding in the case of an emergency. Similar arrangements are set up with DFID and the Norwegian MFA.

#### 4.2.3.4 Exit strategy

NRC has clear written criteria for starting-up programmes, and for phasing them out. The exit criteria are outlined in the *Exit Handbook*<sup>63</sup> from 2007, and cited in NRC's *Programme Policy*, stating that one or more of the following points should be fulfilled:

- *The target group is no longer in need of protection or the type of assistance offered by NRC;*
- *The safety of humanitarian workers cannot be adequately ensured;*
- *The relevant situation has reached an impasse, and the activities of NRC will not in any substantial way contribute to constructive, lasting solutions.*

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<sup>60</sup> ACAPS, *Assessment Capacities Project*

<sup>61</sup> [www.acaps.org](http://www.acaps.org) (August 2013)

<sup>62</sup> NRC Operational Strategy and Plan of Action 2013, 27.11.2012

<sup>63</sup> NRC Exit Handbook, May 2007 Edition

*In addition to the general criteria for exit, specific criteria should be established for each programme (adapting over time and with changing context).<sup>64</sup>*

In the case of Myanmar, elements of an exit strategy were developed in the formulation of the country strategy, 2013-2015. Three potential scenarios are outlined under which the programme would have to be terminated: 1) *NRC loses access to affected populations*; 2) *Safety of staff cannot be ensured*; and 3) *Target group no longer in need of protection and assistance, or other actors already fulfil their needs, or donor interest ends*.

In case any of these scenarios occur, the document outlines a number of steps to be taken:

- i) *CO recommends to HO that NRC should exit country*;
- ii) *HO approval and CO inform Government counterparts and stakeholders in Myanmar, clearly stating reasons*;
- iii) *Inform all staff and inform them of their entitlements should their employment be terminated*;
- iv) *Mobilise logistics consistent to NRC operational guidelines, and donate or dispose of moveable property in accordance with donor regulations.*<sup>65</sup>

The assessment team has not been able to closely examine any cases where NRC country offices have had to close due to circumstances similar to those described above. From examples described by NRC staff and the Norwegian MFA, it seems that *in practice* NRC approaches the termination of a programme with great care, attempting to build local capacity to maintain focus on issues related to resilience and disaster risk reduction. In 2008, NRC had to withdraw from CAR due to lack of donor funding. Sri Lanka, Uganda and Liberia are examples where NRC withdrawal has mainly been motivated by the improved conditions for target groups, and where NRC is considered to take on a serious and professional approach. In the case of Sri Lanka the exit had been prepared for up to two years during which time NRC accompanied the local partner LAC (Legal Aid Commission), supporting them in applying for funds from the European Union to be able to continue providing legal aid for displaced people. When NRC left in July 2013 LAC was able to take over 80% of the on-going cases.<sup>66</sup>

Nevertheless, NRC's exit handbook states clearly that exit strategies should be developed already at the *planning stage* of an intervention. The criteria are to be adjusted to local circumstances in each country operation. From programme documents studied by the assessment team, it appears that this principle is only partly implemented throughout the organisation. Several evaluations have identified gaps in country programmes when it comes

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<sup>64</sup> NRC Programme Policy.

<sup>65</sup> Myanmar Country Strategy.

<sup>66</sup> Interviews with NRC staff in Oslo in June and Norwegian MFA representative in September 2013.

to exit strategies.<sup>67</sup> As discussed further below, while NRC may take its responsibilities seriously when phasing out of a country, the question remains on how to approach the limitations related to NRC's role and mandate as a humanitarian actor already at the outset (see further discussion on durable solutions below).

#### 4.2.3.5 Durable solutions

NRC has adopted the framework for durable solution for refugees and persons of concern<sup>68</sup> (which includes repatriation, local integration or resettlement) and the IASC Framework on durable solutions for internally displaced persons<sup>69</sup> (including sustainable reintegration at the place of origin, in the areas of refugee or in another part of the country). NRC defines durable solution as the situation where displaced persons no longer have specific assistance and protection needs that are linked to their displacement, and when they are able to enjoy their rights without discrimination on account of their displacement.<sup>70</sup>

NRC operates in many complex and protracted emergencies. In these situations it is often difficult to clearly distinguish between the core target groups of humanitarian assistance, and other vulnerable populations in the areas of operation. This poses particular challenges to the endeavours of determining a point where the humanitarian mandate has been fulfilled. How can a decision to leave an area be made while there are still pressing needs, particularly if there are no alternative service providers present? This dilemma is noted in the exit handbook (see section 4.2.3 Partner management on exit strategy above), but no direct instructions are provided for how to resolve it.

A recent review of NRC's country programme in Afghanistan noted: *'... a tendency for NRC to be rather flexible in assessing the beneficiary selection criteria. In many cases, the IDP or returnee status ascribed to beneficiaries seems rather artificial.'* The team accepted that the population as a whole was very vulnerable and may experience similar needs as the core target groups, but pointed to the dilemma that was created by *'the blurring of the line between the core target groups – IDPs and returnees – and chronically vulnerable groups and individuals in host communities'*. While not an uncommon problem for humanitarian actors operating in protracted emergencies, this was seen as a risk that may cause NRC to lose sight

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<sup>67</sup> See for example: Nordic Consulting Group; Review of Norwegian Refugee Council (NRC) Afghanistan, Lexow, Janne (NCG) Team Leader, Berts, Hannes (Sthlm Policy Group), Murshid, Najib (Tadbeer Consulting), with the support of Mari Brekke Bogen; 28th April 2011; Nordic Consulting Group: Buying time – or providing lasting solutions? - An impact study of the Information, Counselling and Legal Assistance (ICLA) project in the occupied Palestinian territory (oPt), Nora Ingdal and Murad Jadallah, 18th April 2012; Evaluation of NRC Food Security and Livelihoods Project in Chipinge and Chiredzi Districts, Zimbabwe, 2011-2012, Dr. Deborah Gourlay, 16th October 2012; Norwegian Refugee Council, Review & Appraisal, Strengthening Child Protection Mechanisms through Emergency Education Support to Northern Districts of Kitgum and Pader, Education for Protection and Recovery, NORAD COLLECTED REVIEWS 32/2008, Ngonzi.

<sup>68</sup> Core Group on Durable Solutions UNHCR Geneva, May 2003.

<sup>69</sup> IASC Framework on Durable Solutions for Internally Displaced Persons. The Framework was endorsed by IASC Working Group 2009

<sup>70</sup> NRC Programme Policy

of its purpose and role in Afghanistan and make it difficult to define the limits of its mandate.<sup>71</sup> If exit criteria are based on the needs of the target groups, and the definition of these target groups are loosely formulated or applied, NRC may find it very difficult to establish a point where programme objectives have been fulfilled and NRC's mandate ends. The situation is further complicated by the fact that few development actors have established presence in humanitarian situations, indirectly pressuring actors like NRC to stay on beyond its core mandate.

Beyond the core target groups, NRC strives to include beneficiaries from host communities in its programmes. As an example, the Afghanistan review team referenced above noted that: *'[i]n the YEP Programme in Faryab, members of host communities represent some 60% of beneficiaries.'*<sup>72</sup> As a comparison, the Myanmar country programme defines beneficiaries as *'IDPs, refugee returnees and conflict affected host communities to IDPs'*. Including members of host communities is different from artificially ascribing IDP or returnee status to individuals whose vulnerability is not primarily linked to displacement. It is a conscious strategy to promote acceptance and prevent resentment towards returning refugees and IDPs at local level. This can be (and in the case of Myanmar was observed as) an effective conflict sensitivity measure.

#### 4.2.3.6 Participation

NRC commits in principle to participatory methodologies. The assessment team has not been able to make an in-depth assessment of the practical involvement of beneficiaries in the planning and design of programmes. The HAP Baseline study conducted in 2011, however, highlighted some weaknesses under *Benchmark 5 - Complaints handling*, particularly relating to complaints from beneficiaries. NRC received the mark *not met* for all sub-benchmarks except the one relating to a complaints mechanism for staff, i.e. *5.1 Consulting beneficiaries/communities; 5.2 Documented procedures; 5.3 Awareness of procedures; and 5.4 Handling of complaints.*<sup>73</sup> Beneficiary involvement has since been identified as a strategic priority for NRC's internal development, including in the revision of the organisations monitoring and evaluation system.

As noted above, NRC's shelter team in Myanmar has started, when it is deemed appropriate, to organise and contract community based organisations (CBOs) for the construction of shelters and schools. The main idea is that the communities themselves should get a greater sense of ownership and some opportunities for employment during the construction period. In many cases, where NRC assesses that the skills necessary to build schools or shelters are not present in the area, private contractors are still used to undertake the often time-sensitive construction works. They usually bring labour from outside of the concerned communities. On one construction site visited by the team, there were no workers who were from the local

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<sup>71</sup> Nordic Consulting Group; Review of Norwegian Refugee Council (NRC) Afghanistan, Lexow, Janne (NCG) Team Leader, Berts, Hannes (Sthlm Policy Group), Murshid, Najib (Tadbeer Consulting), with the support of Mari Brekke Bogen; FINAL REPORT 28.04.2011.

<sup>72</sup> Ibid.

<sup>73</sup> HAP, NRC Report of Baseline Analysis against the HAP 2007 Standard, February, 2011

area. The reason given was that the contractor had not been able to find skilled labour locally. For phases of the construction process when there was a greater need for unskilled help, the contractor would recruit locally for such positions.

Within the Myanmar programme, there is also currently a pilot project where the different focus areas of NRC are combined - the *Southeast Infrastructure and Rehabilitation Project* (SIRP). The idea of the programme is to roll out different capacities at different stages, according to needs defined by the planned beneficiaries themselves. The SIRP project is mainly funded by EuropeAid, and co-implemented by NRC, the Swiss Agency for Development and Cooperation (SDC), Action Aid, and the local NGO KDN (*Knowledge and Dedication for Nation-building*). SDC and NRC each contribute 10% of the funding for the project. The project concept note states that *'[b]ased on participatory planning processes, the communities will define their priority needs and match these to State development priorities. Partners will then flexibly respond with a range of relevant services and products to attain sustainable positive change in the lives of the target beneficiaries.'*<sup>74</sup> The project utilises a participatory methodology developed by Action Aid.

In terms of accountability to beneficiaries (and other stakeholders), the HAP baseline (2011) noted the absence of a documented and public accountability framework. NRC notes in the introductory remarks of its 2012 Annual Report for HAP that: *'[t]he main finding of the baseline was that though NRC has a lot of the elements in place that constitute an Accountability Framework, it is lacking the formalisation of such a document.'* NRC also notes that: *'[d]ue to key staff members leaving during the course of 2011, the immediate follow-up of the baseline survey was a challenge and was finally postponed into 2012.'*<sup>75</sup> The *'Finalization of the Accountability Framework'* is listed as a 2013 objective<sup>76</sup>. The on-going processes of setting up an accountability framework is discussed below.

## 4.3 Capacity to achieve and report relevant results against the Strategy(ies)

### 4.3.1 Internal capacity and skills

#### 4.3.1.1 Programme policy

NRC's has a clear policy commitment to a *rights based approach* and to the humanitarian principles of *humanity, neutrality, independence and impartiality*. NRC adheres to the Code of Conduct for the International Red Cross and Red Crescent and NGOs in Disaster Relief, the Humanitarian Accountability Partnership, Sphere Humanitarian Charter and Minimum Standards in Disaster Response, INEE Minimum Standards for Education in Emergency, and the Do No Harm principle.<sup>77</sup>

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<sup>74</sup> SIRP concept note

<sup>75</sup> NRC Annual progress report for HAP 2012

<sup>76</sup> NRC Operational Strategy and Plan of Action, 2013

<sup>77</sup> www.nrc.no (August 2013)

The programme policy<sup>78</sup> is NRC's central steering document, which guides the development and implementation of country programme activities. It uses the overall NRC policy as a starting point, but elaborates further on the principles, definitions, scope and approach in relation to the (5) core competency areas<sup>79</sup> and (3) cross-cutting issues<sup>80</sup> (see also chapter 2 for a closer description of the core competency areas). The programme policy sets a strong focus on the emergency phase and the mandate to support progress towards finding durable solutions for refugees and internally displaced persons as soon as it is practically feasible. Eight criteria are presented (following the IASC definition) to determine to what extent a durable solution has been achieved (further addressed below).

The programme policy also commits to participatory needs assessments and monitoring and evaluation in order to assess the context, determine needs and register changing needs over time and across different groups within affected populations. It further defines target groups and restates the general start-up and exit criteria including needs and availability of resources. The policy does not, however, address the added value of NRC or the issue of how priorities are made in emergencies. There is little concrete advice in NRC's internal documents on how to link up with other partners, work through clusters and how to ensure results, which include a linkage to sustainable solutions, development and how to avoid negative impact on potential conflicts (i.e. a "do no harm approach").<sup>81</sup> NRC has explained that it is currently working on a guidance document for staff on how to work with the clusters, including how to co-chair them.

#### **4.3.1.2 Operational strategy**

The operational strategy and plan of action is NRC's yearly plan. The latest version (2013) concretises the programme policy and elaborates on NRC's current position and role as a humanitarian actor. It highlights current challenges in the humanitarian field and the increasing demands from donors on ability to show results and discusses the on-going rapid growth of NRC, as well as management and governance issues. These factors have caused both external and internal pressure on the organisation, resulting in a major reform process with the purpose of strengthening organisational infrastructure (databases, ITC systems etc.) and strategies for implementation, coordination and follow-up of the work undertaken. A major part of the work throughout 2012 was focused on the process of clarifying the organisational roles and responsibilities, through the development of a vision for new governance model in NRC. The 'organisation project' is to be presented and approved by the board in the second half of 2013.<sup>82</sup>

Three main strategic objectives set for 2013 are to:

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<sup>78</sup> NRC Programme Policy

<sup>79</sup> 1) education, 2) food security, 3) information, counselling, and legal assistance, 4) shelter, and 5) water, sanitation and hygiene

<sup>80</sup> 1) protection, 2) age, gender and diversity and 3) environment

<sup>81</sup> NRC Programme Policy

<sup>82</sup> NRC Operational Strategy and Plan of Action 2013, 27.11.2012

1. Reach more vulnerable displaced with timely, relevant and quality programme response through the country programmes
2. Promote displaced persons rights to protection and assistance through advocacy
3. Deliver high quality emergency personnel to UN, regional institutions and national authorities at the right place and time through the rosters.

To meet these objectives NRC also commits in the operational plan to secure predictable and flexible funding; secure competitiveness with regard to quality and cost efficiency; ensure a world class secondment mechanism and ensure that high quality staff are available at the right place and time.

Each objective is further broken down into strategic goals for 2013, including strengthening needs assessments and protection, response and preparedness of the organisation; ensuring compliance with policies, procedures and quality requirements, including internal audit function and document management tool. There are also goals related to strengthened staff capacity to assess decision-making on the ground, focus on security and risks and to increase the level of funding to ensure a capacity to respond to 75 per cent of partner requests. An appendix with background analysis on key trends that influence NRCs work is also included in the operational strategy.<sup>83</sup>

NRC's target groups for communication are expressed in the communication plan as '*the power people*', including politicians and decision-makers, and '*the money people*', including private persons and donors institutions. The organisation has several channels for communication to its target groups, both nationally and internationally.<sup>84</sup>

A foreign policy magazine is produced to inform the public about the humanitarian principles, challenges in the field of humanitarian affairs and the operations of NRC in the field. The magazine, called *Perspektiv* is sold in newsstands in Norway and abroad.

#### 4.3.1.3 Implementation

The fact that NRC implements its programmes through its own field offices allows the organisation to maintain close control over project and programme formulation, as well as in prioritisation of limited resources. The criteria for going forward with projects (i.e. *funding interventions*) are closely linked to NRC's country strategies and needs assessment in prioritised areas. The team was able to observe the country operation in Myanmar up-close and found a well-functioning country operation with highly qualified and motivated staff. NRC has a total of 133 staff in Myanmar – 125 national and eight international.

NRC started its operations in Myanmar in the aftermath of Cyclone Nargis in 2008. The initial task was to contribute to the rehabilitation efforts in Labutta township, rebuilding shelters, schools and related infrastructure. In 2010, NRC engaged in the southeast of the country through an agreement (*a Letter of Understanding*) with the UNHCR to support their capacity to

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<sup>83</sup> NRC Operational Strategy and Plan of Action 2013, 27.11.2012.

<sup>84</sup> NRC-131451 Communication plan 2011-2014 – master English version, p. 5-6

deliver shelters, schools and clinics for displaced communities. In 2011, NRC secured a *Letter of Agreement (LoA)* with the Chief Minister of Kayin State to deliver shelters, sanitation, schools and vocational education for displaced communities in that state. Today, NRC is present in Kayin, Mon, Kayah and Thanintaryi, covering 60 villages. The programme includes shelter, school construction, and vocational training, and issuance of id-cards.

The id-card project is the result of an agreement that NRC established with the Ministry of Immigration and Population to collaborate in mid-2012, on the joint issuance of national identity cards in the Southeast of Myanmar. The id-card project is the only aspect of NRC's ICLA-component (*Information Counselling and Legal Assistance*) that is currently part of the Myanmar programme. NRC has been cautious as other aspects of ICLA relate to politically sensitive issues and approval from authorities is necessary.

NRC has managed well to navigate the complex political environment in Myanmar and claims to have gained access where other organisations, such as the UNHCR, have not. This is said to be a result of an early decision by NRC to trust the 'Roadmap to Democracy' and accept the new decentralised governance structures that were rolled out in 2011 - and subsequent strategic dialogue with the Chief Ministers, particularly of Kayin State, leading up to a letter of agreement. The chain of events, and exactly what distinguishes NRC from other organisations in Myanmar in this regard, has not been possible for the assessment team to verify. It can be concluded, however, from the observations made in the field visit and subsequent interviews, that NRC does have access to difficult areas and that the NRC team in place in Myanmar seems to have gained an impressive understanding of the political system of Myanmar. The long in-country experience of the Country Director and the general quality of the country team are assessed to be important factors contributing to this.

Managing to negotiate acceptance of the id-card project is seen as a major victory. The national registration cards, as they are formally called, are extremely important in Myanmar in order to be able to enjoy basic rights in society, such as the right to free movement, education, the right to enter certain professions or apply for various permits. It is considered a quick and cost-effective way to guarantee basic rights for ethnic minorities in conflict-affected areas of the country within the new political environment. It also demonstrates an important element of finding durable solutions for displaced populations, as a civil documentation relates to housing, land and property.

After the ceasefire agreements of 2012, there is a great need for trust- and confidence building. It has turned out that the issuance of id-cards has the potential to make a significant contribution to this process. NRC has documented the buy-in that the project has had, both from the government side, and from the major armed opposition group - Karen National Union (KNU) / Liberation Army (KNLA). The id-card project is an example of a positive result of NRC's work with humanitarian advocacy - gaining acceptance from both the government and rebel groups to support vulnerable populations in the Southeast part of Myanmar.

On 15 May 2013, NRC signed a new LoA covering six states/regions in the southeast: Kayin, Kayah, S. Shan, Mon, Bago Region-East and Tanintharyi Region, with potential to expand further into other conflict-affected border areas.

From what has been possible for the team to observe, senior staff members are well aware of the principles guiding NRCs priorities and involved in the process of making decisions as to how resources are to be used. Frequent monitoring is conducted by local field staff, in the form of filling out standard report templates, and by managers by examining submitted reports and through regular visits to field locations. Reporting formats are clear and used by staff at all levels of the organisation.

NRC is a serious organisation with ambitious objectives. By and large, interviews with management and other staff representatives confirm that the organisation possesses the right capacity to deliver, in terms of competence and experience. As described throughout this report, there are still some outstanding questions about the organisational structures and methods monitoring and evaluation of activities. The organisational project and efforts to improve monitoring and evaluation systems and routines are processes that are geared towards addressing these issues. The team has understood that different organisational structures are being discussed, such as a reform of management responsibilities and a potential decentralisation, including the introduction of regional offices.

#### **4.3.2 Potential to achieve results**

##### **4.3.2.1 Budget and programme cycle**

The annual budget planning cycle starts with a strategic analysis and ends with a country plan of action and budgets. Annual budgeting instructions including deadlines are published at the NRC intranet and sent to all country offices by the end of August every year. The deadlines for project proposals vary depending on the donor requirements. Country offices are therefore responsible to set up their individual annual strategy processes to match with their deadlines. Generally, most of the proposals are submitted in the period October-December, which means that the process of strategic analysis and updating the country strategy is done during August-September annually.

Any initiated project must relate to the mandate of the organisation, the strategic plan for the country and the current plan of action in that country. An updated country strategy should be ready as the main guiding document before proposals are written and submitted to donors. NRC has started to implement a macro log-frame intended to guide results based management in country programmes. The overall M&E framework (under development) should also include a supporting guideline for RBM of thematic areas and a module on general indicators linked to the log-frame. As these components are under development it has not been possible for the assessment team to assess their practical application. The team has, however, been able to detect a logic approach to programme development, based on context as well as policies and guidelines, in the actual programme documents and reports.

##### **4.3.2.2 Results Based Management**

NRC's five core competencies are chosen to reach the overarching goal of the organisation. Within each of the five competencies, a methodology has been developed. This methodology, or thematic 'theory of change', is adapted to local contexts and applied in NRC's field operations. Within each programme area, NRC develops results to match the thematic

objectives in the context of each specific country operation (through the process of drafting project and programme documents as described above). The projects that were observed in Myanmar, within shelter, education, and ICLA, as well as the cross-cutting SIRP (described elsewhere in this report), were all deemed relevant and adapted to the local context. Relevant results had been reported within all of the programme components, although mostly at the level of output.

As the new governance framework (i.e. organisational reform and revised strategies) is under development, the assessment team has not had access to all documentation for the various components. One of the documents that have been shared with the assessment team is a guidance note on creating macro log-frames. The guidance note outlines how NRC foresees the linkages between the overall objective, the specific objectives, outputs and indicators. The new framework will include a supporting guideline for RBM of thematic areas and a module on general indicators linked to the log-frame. Balanced scorecards will continue to be used to monitor progress towards the objectives defined in the macro log-frames.

The draft macro log-frame and balanced scorecards as well as LEAN-components of the overall M&E framework follow a logic structure. From what has been possible for the assessment team to observe, the expected RBM framework should address many of the outstanding issues that have been raised by previous external reviews. It should be reiterated, however, that the team has not been able to review and assess the new framework in its entirety or observe its practical application.

When it comes to programme and project design, guidance for NRC staff can often (but not always) also be found in the thematic handbooks for each core competence. In the *ICLA handbook*, for example, there is a substantial section going through how an ICLA project is designed and how to construct a project log-frame. In contrast, the *education handbook*, while highlighting the importance of establishing baseline information at the outset of programme formulation, contains no guidance on how to construct viable project logic and define project specific indicators. The *shelter handbook*, while providing a lot of useful guidance on shelter construction and needs assessments (as well as useful sources for baseline data), contains very little in terms of project logic and design, or measuring results beyond counting shelters and individuals per household.

In practice, however, judging by the assessment team's observations in Myanmar, NRC does seem to be able to produce and follow-up on results from its field activities, at least at the level of output. In the country office, each project team was working towards objectives and expected results defined in log-frames accompanying the programme document. The responsibilities on each individual were well known and understood by relevant staff.

#### 4.3.2.3 *Monitoring and Evaluation*

NRC is often subjected to- and participating in external evaluations and reviews commissioned by donors or other partners. There is also an internal system for evaluation. This system builds on the organisation's *evaluation policy (2008)* and *evaluation handbook (2008)*. The evaluation policy states that an evaluation shall be conducted in every NRC programme country at least

every other year. However, this has been difficult to follow in practice. In November 2011, senior advisor Oddhild Günter conducted an internal review of NRC's evaluation policy and handbook.

The review notes that in practice, *'[v]ery few NRC country programmes have conducted an evaluation every other year; most country programmes have not fulfilled this goal. Some have, as a matter of fact, never conducted an evaluation at all, for example Lebanon, South-Sudan, Pakistan and oPt.'* The recommendation in the review is that the evaluation interval stated in the policy should either be adhered to by NRC management, or *'adjusted to a manageable, but still adequate level where goals set are followed up and fulfilled'*. The assessment team agrees with this recommendation. NRC has informed the team that it plans to revise the evaluation policy during 2014 and that the policy compliance issue will be addressed during that revision.

NRC has well developed concepts within its five areas of competence. These general concepts and tried methods are adapted to local contexts in each country programme. Internal quality in operations is mainly ensured through monitoring and reporting between country offices and the programme officers of the international department.

Where aspects of implementation are sub-contracted, NRC's experts are frequently on-site to monitor progress. Contractors involved in the construction of shelters and schools, and other infrastructure in Myanmar, fill out daily reports on activities and progress towards milestones. These daily reports are supplemented by frequent monitoring visits by NRC engineers. In cases where NRC works with community based organisations for implementation of construction projects, an NRC engineer is present at the site throughout the construction process. Copies of agreements with contractors and with community based organisations, as well as progress reports, appeared to be available to relevant staff at the Myanmar field offices.

Nevertheless, as most organisations working in environments with limited access to experienced project management staff, NRC struggles with the quality of some aspects of the measuring and reporting of results. It is sometimes difficult to produce reports beyond recounting of activities. While NRC is generally perceived as highly competent when it comes to accurate needs assessments, the establishment of proper baselines have been an area of some concern.<sup>85</sup> A programmatically focused analysis of the situation, with baseline information that links to programme objectives and activities, facilitates monitoring of implementation and evaluation and reporting of results.

Based on the team's observations in Myanmar, the NRC staff works hard to introduce concepts of baseline studies, monitoring and gathering of qualitative data in order to show results beyond outputs. It is often a tricky balance between making sure that corporate guidelines are followed and donor requirements are met and at the same time build the capacity of local staff

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<sup>85</sup> As expressed in the interview with the Norwegian MFA (Septemebr 2013) with reference to the previous performance reviews (2007 & 2009) and the 2011 HAP Baseline Report.

to take responsibility for planning and reporting. The view of the assessment team is that this balance is kept by the NRC team in Myanmar.

The macro log-frame model that is currently being implemented has potential to improve basic conditions for stringent monitoring and evaluation procedures and accumulation of data for output and impact analyses. NRC is also developing a comprehensive M&E framework addressing results measurement at different levels. Outcomes should be measured through indicator tracking at the output and outcome levels, following a 'contribution analysis' approach to results measurement (e.g. testing assumptions along an articulated theory of change). There are also plans to introduce a range of qualitative methods including after action reviews and field-initiated studies. Impacts should be measured through three evaluation functions at the global level: core competency strategic assessments (e.g. program policy level research), program and country office evaluations, and agency wide meta-evaluations. While aspects of this framework have been launched in 2013, a larger roll out next year (2014) will cover the framework as a whole. The team has not been able to observe the application of this comprehensive framework in practice, but in theory assesses it to adequately cover current shortcomings in NRC's methodological approach to measuring results at the level of outcome and impact.

## 4.4 Capacity to adapt and self-renew

### 4.4.1 Organisational reform

NRC has gone through a significant expansion during the last decade. Already in 2007, the report from an organisational performance review commissioned by Norad concluded that the organisation had experienced a rapid growth while there were still many weaknesses in organisational and financial management and a great need for human resource capacity building and organisational learning. While the basic organisational structure, accounting systems and guidelines were formally in place, these were not always known or fully applied.<sup>86</sup>

NRC presented a follow-up plan after the review and in 2009 another organisational review was conducted.<sup>87</sup> It commended the NRC for its sincere engagement in reforming and strengthening the capacity of the organisation, although also noticing that some processes had taken longer than expected, indicating that the deadlines were too ambitious. The 2007 review report had been used actively and NRC personnel were very conscious about the challenges and strengths of the organisation.

The report highlighted in particular the extremely difficult conditions under which NRC operates and recommended a continuous focus on anti-corruption work and monitoring of money flows. The NRC financial handbook had been revised based on the recommendations but there were still some work to be done to ensure good use of the bookkeeping and account system, including how to

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<sup>86</sup> Norad Report 2/2007 Review (Review Team led by Arne Strand, CMI); Durable Management for Durable Solutions, Organisational Performance Review, Norwegian Refugee Council (NRC), Norwegian Agency for Development Cooperation.

<sup>87</sup> Norad Report 30/2009 Review (Jannicke Bain Vibeke Sørum); Organisational Review of the Norwegian Refugee Council, Final Report, Norwegian Agency for Development Cooperation, Oslo September 2009.

integrate it with other organisational tools, not least for monitoring and evaluation purposes. The introduction of a global monitoring system had improved the potential for accurate reporting and continuous learning but it did not include qualitative indicators and was yet to be integrated in the whole organisation.<sup>88</sup>

According to NRC management and staff<sup>89</sup>, the internal review process (referred to as a self-reflecting review of its '*most important strengths and challenges*', in 2011) has been very helpful in strengthening NRC's overall capacity – not least in terms of strategic planning and follow-up. The external organisational assessments (2006 and 2009) have also commended the NRC for its engagement in addressing weaknesses in the organisation (management, financial and M&E systems etc.). The assessment team has not been able to study the internal review process in any great detail. One key document linked to the process is a stakeholder analysis<sup>90</sup>, which provides an insightful assessment of the humanitarian field and its challenges and opportunities. It also includes a general reflection of the potential roles for humanitarian INGOs in the future, but no direct linkages to the existing or aspired capacity of the NRC as a humanitarian actor. Another study on potential regionalisation of NRC has been mentioned but not shared with the assessment team.

However, as presented in previous sections, the assessment team assesses the current management structure to encompass the key necessary functions to run operations professionally. The board is competent and knowledgeable about the operations and the division of responsibilities is clear. The management team demonstrates ability to make sound and timely decisions, based on available information, and previous experience. As part of the annual review process, a structured and systematic assessment of the strategic positions is made and fed into the review process. The strategic planning process is communicated through a systematic procedure captured in instructions for the annual review meeting.

There is openness within the organisation that stimulates and encourages discussions about the NRC and its mandate. Staff and management are highly committed and willing to engage. Based on previous organisational reviews and internal assessments on strengths, the NRC is currently finalising a governance process, which aims at strengthening organisational capacities and reform structures to better meet the needs for efficient decision making in a rapidly growing organisation that responds to changing demands.

At the same time, the assessment team notes that the same issues keep appearing in one organisational review after another. While all reports (including the current assessment team's report) are generally appreciative of the improvements that are being made, there are repeated remarks about delayed implementation and areas that are still in need of further development. All reports have linked this to the rapid expansion of the organisation, with increased staff, activities and functions, while systems and structures have not been developed at the same speed. The 2011 HAP baseline report<sup>91</sup>, requested a more explicit focus on accountability and quality commitments to ensure that these processes can be assessed through monitoring, community

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<sup>88</sup> Norad Report 30/2009 Review. P.10-15.

<sup>89</sup> Interviews conducted in Oslo, June 2013.

<sup>90</sup> NRC, Humanitarian action now and in the future, General findings from the NRC Stakeholder Analysis, 2011 (L)(262439).

<sup>91</sup> HAP, Norwegian Refugee Council Report of Baseline Analysis against the HAP 2007 Standard, facilitator Dr Jamie Munn, 21 – 25 February, 2011.

feedback, partnership arrangements, and evaluations. The team conducting the evaluation commissioned by the Norwegian MFA, has noted that there is still a lack of connection between operational and financial results hampering follow-up on cost effectiveness and generative impact of programmes.<sup>92</sup> While the current reform processes seems to address many relevant outstanding issues, the concerns remain that sufficient time is needed to allow systems and procedures to consolidate.

#### 4.4.2 Anti-corruption and ethical principles

NRC has clearly documented and easily accessible policies and guidelines to support the implementation of activities (this was also supported by the 2011 HAP evaluation). Staff members have generally expressed a solid understanding of NRC's mandate and operations. There is also an acceptance of the fact that the field of humanitarian affairs is complex and poses many challenges to the actors that are working to meet humanitarian needs. Several staff members have made references to the ability of the organisation to adapt to an environment with changing demands. They have lauded the easy access to managers and the possibility of raising thorny issues on an informal basis. Many steering documents are subject to constant review and update on the basis of on-going discussions and regular assessments of their relevance and efficiency.

The anti-corruption guidelines<sup>93</sup> were developed through a particular earmarked Sida support. The guidelines define NRC's view on corruption and proclaim a zero-tolerance at all levels of the organisation. The policy outlines specific corruption risks in each of the five core competence areas and provides guidance on how to handle potential corruption cases. During 2013, NRC is going through a process to strengthen its internal ability to address potential cases of corruption, including workshops in all country offices.

In addition to the codes of conduct (which are signed by all staff members), NRC has established explanatory notes, serving as guidelines for how to interpret the codes of conduct in practical situations. These include guidelines against discrimination and harassment, guidelines against sexual exploitation and abuse and NRC's complaints and reporting routines.<sup>94</sup> Section 3.4 *Blowing the whistle*, describes NRC's reporting channels for staff, partners or NRC's beneficiaries. It states that complaints can be anonymous and channelled through line managers, human resource managers in the field or in Oslo or through especially appointed focal points (national staff) in the country offices. The whistle blowing system is a central function for highlighting suspected corruption and in 2010 NRC started logging all corruption cases.<sup>95</sup>

The code of conduct, the anti-corruption guidelines<sup>96</sup> and the handbook for internal investigations<sup>97</sup> establish a structure for management and staff on how to relate to organisational

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<sup>92</sup> Main results of the evaluation commissioned by Norad (working document produced in May 2013) and interviews with representatives of Sida and the Norwegian MFA.

<sup>93</sup> NRC Anti-corruption Guidelines, Last updated: December 2006.

<sup>94</sup> Explanatory notes to NRC's Code of Conduct, October 2010

<sup>95</sup> NRC, Anti-corruption work in NRC 2013, Presentation June 2013: The log has a record of 9 cases in 2010 (amounting to totally 235 000 USD), 7 cases in 2011 (70 000 USD), 4 cases in 2012 (239 000 USD) and 2 cases in 2013 (reported up until March).

<sup>96</sup> NRC Anti-corruption Guidelines, Last updated: December 2006

<sup>97</sup> NRC Handbook Conducting Internal Investigations, DRAFT, NRC Security Section, January 2013

rules and ethical standards. The Logistical Handbook provides guidelines on procurements.<sup>98</sup> The documents have been tested in several cases and seem to provide a solid framework for dealing with suspected and actual misconduct. In DRC, the whistle-blowing standard was applied in a suspected corruption scheme in relation to local tendering processes. Another recent case of misconducts against the ethical principles concerned an employee who violated local safety regulation for the location where he/she was posted. The degree of severity in the breach made the NRC decide to terminate the contract, whereby the person took the case to court. The case was tried under Norwegian law and the court concluded that NRC had followed its officially established and agreed standards and ruled against the plaintiff.<sup>99</sup>

The checklist for assessment of implementing organisations<sup>100</sup> calls for implementing organisations to comply with NRC's core principles and values and meet the requirements of governing documents and handbooks. However, as discussed under section 4.3.2 on partner organisations, NRC does not engage local organizations for the sake of the partnerships themselves, and does not see capacity building of its implementing organisations as an objective in its own right. Many implementing organisations are defined as sub-contractors and the sub-contracting agreements<sup>101</sup> do not typically include any commitment on comply with NRC-policy, beyond obedience to laws and regulation of the particular country.

#### 4.4.3 Advocacy and outreach

The advocacy and information department engages in research, capacity building of staff, collaboration with other humanitarian organisations and advocacy towards governments and policy makers. The current 3-year advocacy strategy prioritises humanitarian access, climate change and property/land issues in relation to displacement. The strategy is being revised during 2013.

In 2012, NRC, together with the Humanitarian Policy Group of the Overseas Development Institute presented a report<sup>102</sup> on principled humanitarian access with recommendations to humanitarian agencies and donors. The report was financed by ECHO and the Norwegian MFA under the NRC advocacy programme and NRC staff participated in an access advisory group. Consultations were also held in Afghanistan, the DRC, Pakistan and South Sudan as well as in Brussels, Geneva, London, Oslo, Washington DC and Dubai. The aim of the report was to contribute to a discussion on how governments, donors and humanitarian organisations can further strengthen the principled delivery of aid.

In 1998, NRC established the Internal Displacement Monitoring Centre (IDMC) in Geneva. The centre runs an online database providing information and analysis on internal displacement in some 50 countries and carries out training to build capacity in local organisations to respond to the

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<sup>98</sup> NRC Logistics Handbook, Updated 20th November 2011

<sup>99</sup> Interview in Oslo, June 2013

<sup>100</sup> NRC Checklist for the assessment, selection and monitoring of implementing organisations, April 2010.

<sup>101</sup> Example of contractual agreement between NRC as consultant for UNHCR and a local village construction committee in Tanintharyi Region, Myanmar.

<sup>102</sup> Norwegian Refugee Council and Humanitarian Policy Group of the Overseas Development Institute; TOOLS FOR THE JOB: Supporting Principled Humanitarian Action, By Ingrid Macdonald and Angela Valenza, October 2012.

needs of internally displaced people (IDPs). The IDMC partners with UN's inter-agency Internal Displacement Division and the UN Representative on the Human Rights of IDPs supported by the Brookings-Bern Project on Internal Displacement. The centre also functions as focal point on internal displacement issues for the International Council of Voluntary Agencies (ICVA), which is an NGO platform for increased collaboration and coordination. NRC also participates in the Global Humanitarian Platform.<sup>103</sup>

The team assesses NRC's advocacy function to be well integrated in its operations. Country offices and thematic advisers feed into the work of the advocacy department and core strategic issues are highlighted through the operations. The IDMC can be used as a catalyser to influence international debate on the situation for IDPs. According to NRC, the IDMC has been an important promoter of the AU Convention for the Protection and Assistance of Internally Displaced Persons in Africa (the Kampala convention adopted in December 2012), and continues to approach African governments to advocate for its ratification.

There are also other functions within the organisation that have potential to generate advocacy and methodological development. The technical advisers (two for each of the five core competence, except for WASH where there is only one, and one for each of the three cross-cutting issues) are directly supporting country programme implementation. They are also collecting experiences from the country offices and work in teams at the head office level to generate collective lessons learned. The technical advisors for youth and for education, for example, are working under a specific Sida-funded programme with the purpose to strengthen youth programming in emergencies. Through the membership in the International Network for Education in Emergencies (INEE), NRC participated in a working group that succeeded in developing *minimum standards for education*<sup>104</sup>, and has continued to engage to support its implementation. Sida's earmarked funding has helped NRC to keep focus on the particular methodology development objectives, in a funding situation where most support is directed towards strict operational activities.

The emergency response department has not been a primary subject to this organisational review. Nevertheless, it is interesting to note that beyond the roster systems that deploy personnel to international operations in response to humanitarian crises, the actual management of the rosters generates thematic competence and opportunities to contribute to the development of methodologies. ACAPS (the assessment capacities project), for example, is setup as a project dedicated to improving the assessment of needs in complex emergencies, sudden onset disasters and protracted crises. While providing stand-by personnel to the OCHA Inter Agency Standing Committee (IASC) task force on needs assessments, ACAPS also aims at promoting consensus on how to carry out a common multi-sectorial assessment on needs in humanitarian crises. The ACAPS project has developed methods for coordinated needs assessments in emergencies through different analytical steps and applied them in practise through the existing humanitarian architecture.

GenCap (the gender standby capacity roster) is another example of how NRC aims at supporting a coordinated response to humanitarian needs. The roster provides gender advisers as an inter-agency resource to support the UN humanitarian and/or resident coordinators, humanitarian country teams and cluster or sectors leads. The advisers often play a key role in assessing the

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<sup>103</sup> <http://www.globalhumanitarianplatform.org>

<sup>104</sup> INEE Minimum Standards for Education: Preparedness, Response, Recovery - A Commitment to Access, Quality and Accountability, last update in 2009/10

gender marker system of programme applications to be presented through the consolidated appeal process (CAP). The strategy to coordinate interventions through CAP and cluster coordination (as described in previous chapters above) is also part of the established system for increasing aid effectiveness.

#### 4.4.4 Disaster prevention and early recovery

NRC's commitment to '*emergency relief and early recovery, seeking to build on displaced persons' own resilience to promote sustainability and recovery*'<sup>105</sup> affirms the ambition to integrate the two perspectives of disaster prevention and early recovery. The concept of *resilience*, while not universally defined by the international community, attempts to address the '*ability of a system, community or society exposed to hazards to resist, absorb, accommodate to and recover from the effects of a hazard in a timely and efficient manner*'.<sup>106</sup> According to the Overseas Development Institute (ODI) and its programme on resilience and humanitarian action, there is little evidence on the actual impact that humanitarian assistance has on a society's resilience to crises. The concept does not only relate to material assets but must be seen in relation to structural factors that determine people's actions and choices, i.e. existing power structures, governance and the level of social organisation and institutions in a society etc.<sup>107</sup>

Several aspects of NRC's operations are naturally geared towards strengthening the resilience of communities and individuals. Early shelters constructed after the cyclone Nargis in Myanmar had built-in disaster risk reduction features. The construction of schools and vocational training for youth, as well as the provision of id-cards allowing people to travel more freely, have the potential to enhance the ability for individuals and communities to '*resist, absorb, accommodate and recover*' from disasters. While the concept is discussed in some documents, such as the MFA/Norad application 2013, NRC does not yet have an explicit policy regarding how the organisation approaches *resilience* in its operations. A thematic adviser has recently been hired, who will help guide NRC's future work on resilience.

As described in section 4.3.2 Partner management, NRC applies the IASC framework of *durable solutions*<sup>108</sup> to determine when a displaced person no longer has any assistance and protection needs that are linked specifically to displacement. NRC outlines this view of durable solutions in its programme policy. However, specific programme documents do not always define what durable solutions means in each specific country context, or how to 'institutionalise' (in relation to governance) and 'socialise' (in relation to communities) NRC's results in the longer-term development framework. While the assessment team has found several illustrations of NRC's practical approach to durable solutions and sustainability in program implementation, less attention seems to be paid to defining the limits of the organisations mandate in each particular context, and how to ensure that programme results are absorbed and sustained by someone else.

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<sup>105</sup> NRC Policy Paper, Adopted May 2012, p. 1 (Programmes)

<sup>106</sup> Definition of the UN International Strategy for Disaster Reduction

<sup>107</sup> <http://www.odi.org.uk/projects/2359-resilience-humanitarian-livelihoods> (August 2013)

<sup>108</sup> IASC Framework on Durable Solutions for Internally Displaced Persons. The Framework was endorsed by IASC Working Group 2009

## 5 CONCLUSIONS

The general conclusion is that the Norwegian Refugee Council is a highly competent and professional international humanitarian actor with capacity to implement programmes that correspond to Sida's appropriation item *Humanitarian assistance and conflict-related activities*. The gaps that have been highlighted in relation to routines and frameworks for accountability and results based management etc. should all be covered by the on-going internal organisational reform and revisions of relevant steering documents, guidelines and structures. It is the assessment of the team that the situation is likely to change in a positive direction during the next few years, given that these processes are allowed time and resources to be sufficiently established.

### 5.1 The Foundation of the Norwegian Refugee Council

NRC has a long history of working with refugee assistance, since the establishment of "Aid to Europe" in 1946, through a member-based association shifting its focus to more global humanitarian aid, and finally since 2005 as a foundation with a board of directors and an election committee as the statutory bodies. The long tradition as a humanitarian actor has undoubtedly contributed to the high sense of commitment and purpose among NRC staff, and the ability of NRC to attract highly qualified professionals. The assessment team has observed an organisation with very competent staff and a professional approach to its humanitarian work. The team found that NRC has a culture of open internal discussions, among staff and management, on a wide range of issues and challenges relating to its mandate and operations.

NRC chose to become a foundation, seeking to strengthen its capacity as a professional international humanitarian organisation and to respond to increasing demands from donors and expectations from beneficiaries. In the process, it lost a part of what had traditionally been its democratic basis, i.e. interdependency between members and elected leaders of the organisation. Current management and staff are well aware of the dilemma and are concerned about staying "true to the NRC mandate".

As NRC is not a member-based CSO, it has not been possible for the team to properly assess the organisation against all indicators in the assessment framework. The assessment team can nevertheless conclude that the NRC is democratically structured and that its work is conducted in the spirit of democratic values.

The foundation has a clear mandate and NRC expresses its vision, mission and strategies in established policy papers, programme policy and other strategic documents. NRC commits to a *rights-based approach* and applies the principles of *humanity, neutrality, independence and impartiality*. The assessment team has seen a coherent approach to NRC's five core competence areas and three cross-cutting issues, which corresponds well with the priorities for Swedish humanitarian aid and to some extent development cooperation.

Ultimately, NRC is accountable towards donors and staff, and most importantly towards its beneficiaries. As noted in this review, NRC lacks a formal and publicly available accountability framework. This has made the formal liability and responsibilities towards beneficiaries a bit

unclear. This is addressed in on-going reform processes. It could be argued that the new set-up has helped put the spotlight on the beneficiaries as the board, the director general and the rest of the management team can focus all energy on fulfilling the mandate and meet the needs of refugees and IDPs, rather than catering to a member-base in Norway.

NRC's international cooperation with leading humanitarian actors, not least its joint efforts with the United Nations and its leading role in international efforts to enhance the quality of humanitarian assessments (ACAPS), shows that NRC is well anchored in the humanitarian field. NRC is generally considered a competent actor and an attractive employer. Age, gender and diversity as well as environmental considerations are systematically integrated in policies. The "issues" that are raised, primarily when it comes to the management structure, should be seen in the light of the (constantly) on-going process within NRC aimed at improving its response to donors' demands, contemporary complex humanitarian challenges and the needs of refugees and IDPs world-wide. In this process, NRC is very open about its own competence as well as shortcomings as an organisation.

As pointed out by NRC, the country programme in Myanmar is not a typical NRC operation and the team is careful not to draw too broad conclusions based on the field visit. The overall approach in the Myanmar country programme was clearly aimed at finding durable solutions for target populations. The assessment team could observe how the NRC managed to manoeuvre in an extremely political environment to meet the need of 'IDPs, refugee returnees and conflict-affected host communities to IDPs<sup>109</sup>, while demonstrating impartiality and neutrality.

## **5.2 Systems for internal management and control**

The current board of directors and management team are competent and possess the knowledge and skills relevant for their respective positions. Collectively, they bring a wide range of experience not only from the humanitarian field, but also from the business sector, organisational and financial management and control, communication and public relations. The staff and organisational structures are overall sufficiently clear both at head office and at country levels.

Nevertheless, several external reviews and evaluations<sup>110</sup> have pointed to the lack of a solid accountability framework and results based management system within the organisation. NRC has responded to the external remarks and criticism by setting up an 'organisation project' and has already taken several steps in the direction towards an endorsed governance model, including specific instructions on all roles and responsibilities for key positions as well as the procedures for delegating authority. A comprehensive accountability framework, including several key functions and routines, is expected to be established in the near future. Based on the material available and the interviews conducted with key staff, the team assesses that NRC

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<sup>109</sup> As the defined target group in the Myanmar country programme.

<sup>110</sup> See for example the external organisational assessments conducted in 2007 and 2009, on commission by Norad, the Humanitarian Accountability Partnership (HAP) baseline study from 2011 and the forthcoming report of the evaluation of NRC commissioned by Norad in 2013.

has taken the process seriously and continues to strengthen its organisational structures and capacities as a professional humanitarian actor. In practice, NRC fulfils most of the indicators established by the assessment framework (see specifically under criterion 10 – suitable and effective governance and management and mechanisms for control), although many of the systems are currently under development or revision.

NRC's financial handbook is very comprehensive. It outlines internal management and control and financial support systems and guides staff in daily operations. The routines for financial control and accounting are clear, and from what has been possible for the assessment team to observe, practically implemented in operations. The direct programme controls are also functioning at an acceptable level. However, the lack of an overall RBM system makes it more difficult to generate systematic results at the level of impact. NRC is currently upgrading its entire IT system, including financial management system to address some of the current deficits. Others are covered by the current organisational and strategic framework reform processes.

All economic activity in NRC is audited, without exception. While the importance for NRC to have an established relationship with an auditor that understands the peculiarities of an international humanitarian actor with operations in some 20 countries is understandable in general, in principle it may be perceived as a bit risky to maintain a close relationship with the same principal auditor for over a decade.

The strategic relationships with main government agencies such as Sida and DFID (in addition to the longstanding relations with Norwegian MFA/Norad) have been very helpful in that they have facilitated capacity development of the organisation and explored new methodologies for a strengthened international humanitarian system. Sida's initial 10 MSEK contributions annually to the rapid response facility have now been supplemented by a pre-qualification for access to DFID rapid response facility for humanitarian crises. These types of mutual commitments are important for the development of NRC as a professional humanitarian actor. A strategic approach to selecting donors, as established by the donor strategy, has helped NRC diversify its funding sources. While this has helped spread the risks in terms of access to funding, it has also created many new demands on the organisation from various donor reporting standards and expectations on results.

The HR policy framework covers responsibilities and relationships between organisation and its employees, including an obligatory code of conduct and NRC is generally considered an attractive employer. While NRC employs some 50 nationalities worldwide, only 14% of all employees at the head office are non-Norwegian. This is perhaps a natural consequence of the close relationship between NRC and its home country Norway (including both its funding arrangements with the Norwegian MFA/Norad and the traditional Norwegian member-base), but the current situation does not reflect the full reality and accumulated competence within the global organisation. The management team is aware of the necessity to encourage and support career opportunities within NRC as a whole (as well as of the relative difficulties of attracting international staff to a position in an office located in Oslo). In the long-run, NRC needs better access to the full diversity of its international staff resources at a strategic management level.

NRC typically works through a large number of field offices around the world, through sub-contracting arrangements, rather than national or local implementing partners. Therefore, regarding partner management, the assessment team has chosen to assess NRC mainly based on the management of field offices and it should be noted that the relatively low scores on indicators related to partner management (in Appendix IV Summary of assessments by criteria) are related to the strategy to be a self-implementing organisation. Within this strategy there are clear elements of capacity building, both in terms of supporting local implementing partners but also (primarily) to build capacity of NRC's national staff.

NRC commits in principle to participatory methodologies and beneficiary involvement has been identified as a strategic priority for NRC's internal development, including in the revision of the organisations monitoring and evaluation system. The organisation and contracting of community based organisations (CBOs) for the construction of shelters and schools in Myanmar is one example of this priority in practice. The main idea is that the communities themselves should get a greater sense of ownership and some opportunities for employment during the construction period.

NRC operates in many complex and protracted emergencies. It is often difficult to clearly distinguish between the core target groups of NRC, and other vulnerable populations in the areas of operation. This risks making it difficult to determine a point of exit, especially in situations where development efforts are not yet ready to meet the needs of a poor and vulnerable population. NRC applies internationally adopted frameworks defining what constitutes durable solutions for refugees and IDPs, i.e. *'where displaced persons no longer have specific assistance and protection needs that are linked to their displacement, and when they are able to enjoy their rights without discrimination on account of their displacement'*<sup>111</sup>.

Risk analysis and assessment is an integral part of NRC's work. The corporate policy and guidelines is comprehensive in terms of security risks, including a security plan to be updated annually at HQ and each field office. There is generally fairly limited guidance in overall policy documents for staff on how to practically link programming and implementation of projects with political risks, do-no-harm approaches and conflict sensitivity. There is often a need to manoeuvre and balance NRC's limited mandate with potential political demands in the midst of on-going peace processes or periods of transition.

In practice, there appears to be a culture of constant discussion of challenges at NRC with regards to political developments in the relevant countries as well as in relation to the issue of durable solutions. The annual process of producing a new country strategy involves inclusive discussions among the staff on how NRC's mandate should best be interpreted within the existing context. The team generally assesses NRC staff to be well versed in making microanalyses as needed on a day-to-day basis, based on the overall country analyses.

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<sup>111</sup> NRC Programme Policy

### 5.3 Capacity to achieve and report relevant results against the Strategy(ies)

NRC's is a *rights based* organisation with a clear policy commitment to the humanitarian principles of *humanity, neutrality, independence* and *impartiality* and a signatory to key international standards. It holds essential internal capacity and skills to achieve and report relevant results against its strategies. NRC's strategies also correspond well with Sida's Strategy for humanitarian assistance.

The programme policy is NRC's central steering document guiding the development and implementation of country programme activities. The policy sets a strong focus on the emergency phase, including participatory needs assessments, and the mandate to support progress towards finding durable solutions for refugees and internally displaced persons as soon as it is practically feasible. The policy framework does not, however, address the added value of NRC or the issue of how priorities are made in emergencies. There is little concrete advice on how to link up with partners, work through clusters or how avoid negative impact on potential conflicts (i.e. a "do-no-harm approach") and how to ensure results that lead to sustainable solutions. Some of these aspects are addressed through operational handbooks and the assessment team has seen example of actual application of these principles in implementation of programmes.

NRC annually updates an operational strategy and plan of action, which concretises the programme policy and outlines strategic objectives for the current year. In the 2013 operational plan, NRC highlights current challenges in the humanitarian field and the increasing demands from donors on ability to show results. These are seen as central factors contributing to the on-going rapid growth of NRC, as well as management and governance issues. The current reform process and strengthening of the organisational infrastructure (databases, ITC systems etc.) and strategies for implementation, coordination and follow-up of the work undertaken, are considered priorities for 2013.

The fact that NRC implements its programmes through its own field offices allows the organisation to maintain close control over project and programme formulation, as well as in prioritisation of limited resources. The criteria for going forward with projects (i.e. *funding interventions*) are closely linked to NRC's country strategies and needs assessment in prioritised areas. From what has been possible for the team to observe, senior staff members are well aware of the principles guiding NRCs priorities and involved in the process of making decisions as to how resources are to be used.

The implementation of macro log-frames, linked to balanced scorecards and indicators for measuring results, is intended to guide results based management in country programmes. The methodology, or thematic 'theory of change', linked to each of the five competencies, is adapted to local contexts and applied in NRC's field operations. As many of the RBM components are under development it has not been possible for the team to assess their practical application. The draft macro log-frame and balanced scorecards as well as LEAN-components of the overall M&E framework combine a logical approach to programme development, based on context as well as policies and guidelines. From what has been

possible for the assessment team to observe, the expected RBM framework should address many of the outstanding issues. In practice, however, judging by the assessment team's observations in Myanmar, NRC does already seem to be able to produce and follow-up on results from its field activities.

Nevertheless, as most organisations working in environments with limited access to experienced project management staff, NRC struggles with the quality of some aspects of the measuring and reporting of results, in particular producing reports beyond output level of results. The evaluation policy and strategy are both from 2008. While the policy framework stipulates that evaluations are to be conducted every other year, there is a very varying degree of compliance in practice. According to NRC, the new revised evaluation framework to be established in 2014 will address policy compliance in evaluations and a revised overall M&E framework.

As discussed throughout this report, the team assesses the current management structure to encompass the key necessary functions to run operations professionally, the board is competent and knowledgeable about the operations and the division of responsibilities is clear. The basic capacity to deliver results against the policy is there and there is a general openness within the organisation that stimulates and encourages discussions about the NRC and its mandate. Staff and management are highly committed and willing to engage. NRC management representatives have assured that outstanding issues related to formal accountability and RBM frameworks will be covered within a near future by on-going reform processes.

#### **5.4 Capacity to adapt and self-renew**

The rapid expansion that NRC has gone through during the last decade has increased demands on the capacity of the organisation to coordinate and provide efficient support to some 20 country offices, and to deliver reports to varying donor demands. The Norwegian MFA/Norad has been NRC's close partner since the start and it has conducted several organisational reviews to assess and support the organisational capacity development. Already in 2007, the report from an organisational performance review commissioned by Norad concluded that the organisation had experienced a rapid growth while there were still many weaknesses in organisational and financial management and a great need for human resource capacity building and organisational learning. Later reports have raised similar concerns and in the 2012 annual report to follow-up the HAP baseline (2011), NRC acknowledged that plans to reform and strengthen the organisation had taken longer than expected.

It is the assessment of the team that the on-going reform processes are comprehensively addressing previous shortcomings as highlighted by HAP and Norad external reviews. However, until the new structures and strategies are in place and operational, some issues remain related to accountability and proper reporting of relevant results. In the meantime, ambitions are high when it comes to further growth. NRC has currently not expressed any concrete plans to expand into new countries beyond the addition of Jordan and Mali in 2012,

although its operational strategy (2013) establishes the goal to ‘*expand programmes into new geographical areas with neglected humanitarian needs in a safe and secure manner*’<sup>112</sup>. Given the observations made by previous external reviewers it may be wise to carefully assess each expansion plan against the capacity to also establish sufficient resources to implement, maintain support and develop the equally high ambitions in relation to internal organisational management and control structures.

The anti-corruption guidelines, handbook for internal investigations, codes of conduct and adherent explanatory notes establish a structure for management and staff on how to relate to organisational rules and ethical standards. A zero-tolerance on corruption is proclaimed at all levels of the organisation. The explanatory notes’ Section 3.4 *Blowing the whistle*, describes NRC’s reporting channels for complaints. During 2013, NRC is going through a process to strengthen its internal ability to address potential cases of corruption.

The advocacy and information department engages in research, capacity building of staff, collaboration with other humanitarian organisations and advocacy towards governments and policy makers. The team assesses NRC’s advocacy function to be well integrated in its operations. The Internal Displacement Monitoring Centre (IDMC) and the International Council of Voluntary Agencies (ICVA) can be used as catalysers to influence international debate on the situation for IDPs or for increased collaboration and coordination. There are also other functions within the organisation that have potential to generate advocacy and methodological development. Beyond the actual roster systems that deploy personnel to international operations in response to humanitarian crises, the emergency response department have potential to generate thematic competence and opportunities to develop methodologies. ACAPS (the assessment capacities project) and GenCap (the gender standby capacity roster) are examples of how NRC aims at supporting a coordinated response to humanitarian needs.

NRC’s commitment to “*emergency relief and early recovery, seeking to build on displaced persons’ own resilience to promote sustainability and recovery*”<sup>113</sup> affirms the ambition to integrate the two perspectives of disaster prevention and early recovery. The concept of *resilience* has recently made its way to the top of the international agenda. While the concept is discussed in some documents, such as the MFA/Norad application 2013, NRC does not yet have an explicit policy regarding how the organisation approaches *resilience* in its operations. A thematic adviser has recently been hired, who will help guide NRC’s future work on resilience. While there is still no internationally established definition of resilience, several aspects of NRC’s operations are naturally geared towards strengthening the resilience of communities and individuals.

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<sup>112</sup> NRC Operational Strategy 2013, page 3

<sup>113</sup> NRC Policy Paper, Adopted May 2012, p. 1 (Programmes)

NRC applies the IASC framework of durable solutions to determine when a displaced person no longer has any assistance and protection needs that are linked specifically to displacement. However, specific programme documents do not always define what durable solutions means in each specific country context, or how to “institutionalise” (in relation to governance) and “socialise” (in relation to communities) NRC’s results in the longer-term development framework. While the assessment team has found several illustrations of NRC’s approach to durable solutions and sustainability, less attention seems to be paid to defining the limitations of the organisations mandate, and its “end game”, i.e. how to ensure that programme results are absorbed and sustained by someone else.

The fact that NRC is active in some of the world’s most serious humanitarian crises may have contributed to an organisational culture of emergency mode, where ‘rapid responses’ and ‘alleviation of suffering’ is imperative. Adherence to the humanitarian imperative is indeed one of NRC’s major strengths. However, NRC is also active in many protracted crises and post-crisis phases where the primary challenge is not necessarily to react rapidly, but rather to establish conditions for peace building and development.

In these types of situations, NRC could benefit from developing further organisational guidance on how the organisation is to tackle issues such as political risk awareness, conflict sensitivity and do-no-harm, beneficiary selection, the limits of the humanitarian mandate and the transition of long-term development. This would entail *inter alia* a discussion on the ‘end game’ for NRC in each particular context, while engaging development cooperation actors early on in humanitarian programme planning. These are of course issues of great relevance to all humanitarian actors and the assessment team notes that NRC has a good position to contribute to such discussions also outside of its own organisation.

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Explanatory notes to NRC's Code of Conduct, October 2010

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NRC Policy Paper, Adopted May 2012

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Main results of the evaluation of five core competencies of the Norwegian Refugee Council (NRC) and Norwegian Capacity (NORCAP) commissioned by Norad, May 2013.

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[www.nrc.no](http://www.nrc.no) (August 2013)

<http://www.odi.org.uk/projects/2359-resilience-humanitarian-livelihoods> (August 2013)

## ANNEX 2 LIST OF INTERVIEWEES

Name	Position	Organisation	Date of Interview
Bleers, Chris	Country Director	NRC Myanmar	June 21 & August 23,
"Bobby"	Chief Executive Officer	Network Activities Group, Yangon	June 28, 2013
Boysen, Kristian	Programme Adviser Myanmar	NRC HO Oslo	June 13, 2013
Brekke, Toril	Secretary General (interim)	NRC HO Oslo	June 14, 2013
Brooks, Dean	Education Adviser (IPD)	NRC HO Oslo	June 13, 2013
Brunner, Peter	Project Manager	Embassy of Switzerland	June 28, 2013
Chinnery, Julie	Programme Manager Education	NRC Myanmar Country Programme	June 24 & 25, 2013
Ekløf, Patrik	Head of East Africa Section	NRC HO Oslo	June 14, 2013
Endresen, Sigurd	Seniorrådgiver	Norad Oslo Evalueringsavdelingen	May 14, 2013
Flynn, Kelly	Partnership Manager	NRC Myanmar Country Programme	June 24 & 28, 2013
Gjerde, Irene	Head of Controllers	NRC HO Oslo	June 12, 2013
Glerup, Kristen	Project Coordinator Shelter	NRC Myanmar Country Programme	June 24, 2013
Holen, Sine	Institutional Donor Adviser – Sida	NRC HO Oslo	April 4 & June 14, 2013
Huser, Anne	Programme Adviser Afghanistan	NRC HO Oslo	June 13, 2013
Irion, Marianne	Head of Central and West Africa Section	NRC HO Oslo	June 14, 2013
Kvassheim, Elisabeth	HR Director	NRC HO Oslo	June 14, 2013
Kyaw Wai Yar, Soe	Field support Service officer	NRC Myanmar Country Programme Hpa-an Office	June 25-27, 2013
Marchand, Gisele	Deputy Chairman	NRC Board Of Directors Oslo	June 14, 2013
Maung Thann, Maung	Assistant Field Officer	UNHCR, Myeik Office	June 27, 2013
Meyer, Johan Kristian	Fagdirektør for flyktningsaker, Seksjon for	Avdeling for FN, fred og humanitære spørsmål	September 19, 2013

Name	Position	Organisation	Date of Interview
	humanitære spørsmål	Norska UD	
Ko Chan, Thar	Shelter Officer	NRC Myanmar Country Programme Hpa-an Office	June 25-27, 2013
Min, Zaw	Programme Manager	World Vision, Myeik Office	June 27, 2013
Min Than, Zin	National Project Coordinator, ICLA	NRC Myanmar Country Programme	June 25, 2013
Myo Myint, Aung	Education Officer	NRC Myanmar Country Programme Hpa-an Office	June 25-27, 2013
Nan Lin Lin, Zaw	Field Assistant, Shelter	NRC Myanmar Country Programme Hpa-an Office	June 25-27, 2013
Naw Law, La	Field Assistant	NRC Myanmar Country Programme Hpa-an Office	June 25-27, 2013
Os Eskeland, Ragna	Project Manager ACAPS	NRC HO Oslo	June 12, 2013
Paw Lay, Lay	Project Officer M&E	NRC Myanmar Country Programme Hpa-an Office	June 25-27, 2013
Pettersen, Glenn	Security Director	NRC HO Oslo	June 13, 2013
Powiealajew, Virginie	Finance & Admin. Manager	NRC Myanmar Country Programme	June 23 & 28, 2013
Ramstad, Tine	Head of Advocacy Section	NRC HO Oslo	June 12, 2013
Rudd, Harriet	Director ExRD	NRC HO Oslo	June 14, 2013
Ruud, Espen	Head of Finance	NRC HO Oslo	June 12, 2013
Sagstad, Kine	Frame Controller	NRC HO Oslo	June 14, 2013
Saw Aung Myo, Win	Education Assistant	NRC Myanmar Country Programme	June 25-27, 2013
Saw Mathew, Aye (Rev.)	Director	KDN for Knowledge and Education	June 28, 2013
Soe, Lin	Engineer	NRC Myanmar Country Programme	June 25-27, 2013
Solheim Nordheim, Heidi	Head of Donor Support Section	NRC HO Oslo	April & June 12, 2013
Su Mon Htay, Jenny	Head of Admin.	NRC Myanmar Country Programme	June 28, 2013

Name	Position	Organisation	Date of Interview
Su Thandar, Win	DFO-ICLA	NRC Myanmar Country Programme Office	June 25-27, 2013
Sullivan, Kerstin	Senior Programme Officer	Unit for Humanitarian Assistance, Sida	September 10, 2013
Svanæs, Christine	Acting Head of SMS	NRC HO Oslo	June 13, 2013
U Myo, Myint	Coordinator	NRC Myanmar Country Programme Myeik Office	June 25-27, 2013
U Nyein, Aye	Shelter Officer	NRC Myanmar Country Programme Myeik Office	June 25-27, 2013
U Win, Naing	Coordinator	NRC Myanmar Country Programme Myeik Office	June 25-27, 2013
Vasset, Magnhild	Director IPD	NRC HO Oslo	June 13, 2013
Wiberg, Barbro	Senior Programme Adviser	Sida Unit for Humanitarian Assistance Stockholm	April 4, 2013
Winiger, David	Programme Officer	Embassy of Switzerland	June 28, 2013
Winters, Cara	M&E Adviser (SMS)	NRC HO Oslo	June 12, 2013
Wold, Katrine	Youth Adviser (IPD)	NRC HO Oslo	June 13, 2013

## **ANNEX 3 LIST OF NETWORKS WHERE NRC IS A MEMBER**

- Board member of ACAPs
- ALNAP (Active Learning Network for Accountability and Performance in Humanitarian Action)
- CaLP (Cash Learning Partnership)
- Member of the ECRE (European Council on Refugee and Exiles)
- Board member of EISF (European Inter-Agency Security Forum)
- ENNA (European Network of NGOs in Afghanistan)
- ESC HLP working group
- Forum 1325 Norge
- Global Protection Cluster, Global Shelter Cluster, Global Education Cluster and related clusters at national and field level
- HAP-I (Humanitarian Accountability Partnership)
- IASC Task Force on Humanitarian Space and Civil Military Relations (NRC co-chairs with OCHA)
- IASC Sub-Working Groups on Gender and Humanitarian Financing Mechanisms, Humanitarian Leadership, Monitoring and Accountability
- IASC Humanitarian Programme Cycle Steering Group and Technical Group on monitoring
- INEE (Inter Agency Network for Education in Emergencies)
- InsideNGO
- SAG (Strategic Advisory Group) of the Emergency Shelter Cluster
- Shelter Centre
- UK Shelter forum
- VAWIC (Violence Against Women in Conflict)
- Watchlist (International network for children in armed conflict)
- Global Coalition to protect education from attack
- Member of the Global education cluster
- Global Campaign for Education

- Forum for utdanning og utvikling (Norwegian)
- CCCM cluster
- Crisis Action
- Board member of ICVA (International Council for Voluntary Agencies) and Representative of ICVA in the Humanitarian Coordinators Panel
- Board member of VOICE (Voluntary Organisations in Cooperation in Emergencies)
- NRC's Secretary General was up to recently a member of the CERF Advisory Group

## **ANNEX 4 SUMMARY OF ASSESSMENT BY CRITERIA**

Attached as a separate document

## ANNEX 5 LIST OF PARTICIPATION IN CLUSTER COORDINATION

**Afghanistan** - NRC Afghanistan is co-chair at national and regional level in the Protection Cluster.

**Colombia** - NRC Colombia is a co-leader of the protection and education cluster at national level.

**Côte d'Ivoire** - In 2012, handover of Cluster Coordination to state ministries has been initiated and will be completed for all sectors in 2013. ICLA is the Lead Organisation in Civil Documentation Working Group (within Protection cluster)

**DR Congo** - NRC is Education cluster Co-lead at Province Level (in Goma, North Kivu); Sub-Cluster Lead (in Beni, Grand North Kivu); Working Group Focal Point (Baraka, South Kivu).

**Ethiopia** - The cluster system is not implemented in Ethiopia. NRC takes active part in the Shelter and Education sector meetings, co-chaired by Ethiopian authorities, on both national and local levels.

**Iran** - NRC is currently not holding any Co-leadership role in cluster at country (or sub-country) level in Iran.

**Iraq** - NRC is an active member of humanitarian coordination structures, even though these are not the cluster system.

**Jordan** - As Syria is a refugee crisis led by UNHCR, Sector Working Groups are established instead of the Cluster approach. NRC is the Chair of the Youth Sub-Working Group in Al Zaatari camp, which falls under the remit of the Child and SGBV Protection Cluster. As chair, NRC coordinate efforts to ensure that the most vulnerable youth are reached and ensure youth issues are mainstreamed and prioritised for different actors.

**Kenya** - The cluster system was briefly implemented in Kenya following the election violence in 2007/2008. However, the country now operates a sector system with the co-lead of the relevant government authorities. NRC takes part in clusters on country and sub-country level. NRC is lead in the WASH sector in Hagadera camp in Dadaab. NRC has also just taken on the role of Humanitarian HUB coordinator in Nakuru County working on ER&P towards the Elections.

**Lebanon** - Due to political decisions, the humanitarian response in Lebanon for the Syrian response is not under the cluster system, but UNHCR is charged with the overall coordination. However, NRC is actively engaged in the regular co-ordination, but has also been co-chairing the Shelter working group under the RRP process. Similarly, NRC is active in the Protection and Education working groups. In 2012, NRC was the first co-chair of the UNRWA led Gatherings working group. Upon request from the UN RC/HC, NRC initiated the formation of the Lebanon Humanitarian INGO Forum (LHIF), a.o. appointing INGO representatives to the UNHCT. NRC is among the reps for the coming 6 months.

**Liberia** - There is not a cluster system in place in Liberia.

**Myanmar** - Clusters are not rolled out in areas where NRC are active in Myanmar.

**Palestine** - NRC is an active member of the Protection Cluster Working Group, both in the West Bank and Gaza, including the Displacement Working Group (DWG) and the Access Restricted Area (ARA) Working Group. Under the Protection Cluster, NRC also serves as the co-chair for the Legal Task Force (LTF) in the West Bank and, since October 2011, co-chairs the LTF in Gaza with the UNDP Rule of Law and Access to Justice Programme.

NRC has been appointed the role of Shelter Sector lead agency in Gaza by the UN Humanitarian Coordinator for Palestine and as a sector lead,

**Pakistan** - NRC Pakistan is a Shelter Cluster Co-lead at the provincial level in Balochistan.

**Somalia** - NRC in Somalia has a very active engagement with the cluster system in South Central, Puntland, Somaliland and Nairobi level. Also in Galkayo, NRC co-chairs in the Shelter and Education clusters.

NRC leads and co-leads humanitarian clusters at the field level, including the Protection cluster (co-lead in Warrap and lead in NBeG) and the Education cluster (lead in NBeG, co-lead in Warrap).

**Yemen** - Cluster system is in place in Yemen, but NRC as a new actor in Yemen since mid 2012 has not taken on the lead in any of the clusters. NRC is an active participant in Shelter/NFI cluster, WASH cluster, Protection cluster, Food Security & Agriculture cluster as well as recently joined the Education cluster.

