

Nordic International Support Foundation

Annual Report 2020





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Introduction

Nordic International Support Foundation (NIS) is a Norwegian non-governmental organization based in Oslo that strives to support stabilization efforts around the world. To do so, it carries out peace and reconciliation activities in war and conflict zones, as well as institutional development, social measures and conflict resolution. In 2020, the Foundation carried out projects in Somalia, Mali and Burma (Myanmar).

Escaping conflict requires a broad mix of activities targeting peacebuilding, state building, reconciliation processes and community recovery efforts. To help guide our programming in conflict-affected environments, NIS has developed the PROVE Principles 2.0. The PROVE Principles are based on our experiences in the field, of what boosts the chances for any intervention to achieve its stabilising and peace-building objectives (please see below section on the operationalisation of the PROVE Principles 2.0). For this reason, NIS implements a wide range of projects together with donors and key national stakeholders to assist countries and communities to successfully emerge from conflict. Our projects include constructing, rehabilitating and installing

economic and community infrastructure such as solar streetlights, stadiums and markets, roads, government buildings, solar electrification to hospitals, health clinics and government buildings. In addition, NIS supports vocational training facilities and curricula, managing secondees to government institutions and managing grant-making programmes supporting peace-building and social cohesion. NIS projects seek first and foremost to support communities and institutions to recover from the negative effects of conflict. As a result, for NIS, the exact nature of a project is secondary to its ability to help a country emerge from conflict, regardless of the type of intervention.

Across these many types of projects, we continually emphasise the need to delivery concrete benefits to conflicted-affected communities: infrastructure must support increased community activities of all kinds; grants must support relevant actors with strong local relationships; and support to institutions must help boost their ability to deliver on their mandates. In order to ensure our projects are relevant in both the practical and political dimensions of our work, NIS lays a great

deal of emphasis on continuous contact with stakeholders, carrying out extensive community engagements tailored for the given context.

NIS has completed more than 115 projects in 4 countries in the past 9 years. NIS will celebrate its 10th year of existence in 2021.

Facts and figures in 2020

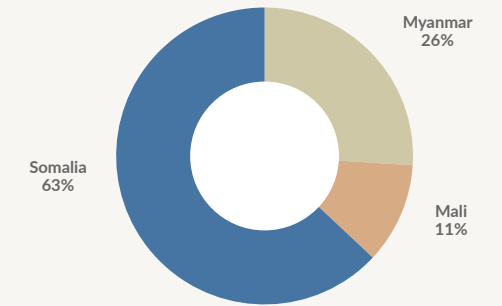
NIS had 19 ongoing projects in 2020 in the 3 countries (5 in Myanmar, 12 in Somalia and 2 in Mali) and 187 interventions branching out from those projects (covering 14 different types of interventions from the NIS intervention portfolio), most of which were directed to the construction and/or rehabilitation of buildings in Somalia and the installation of streetlights in Somalia and Mali.

Mali	17
Myanmar	70
Somalia	100

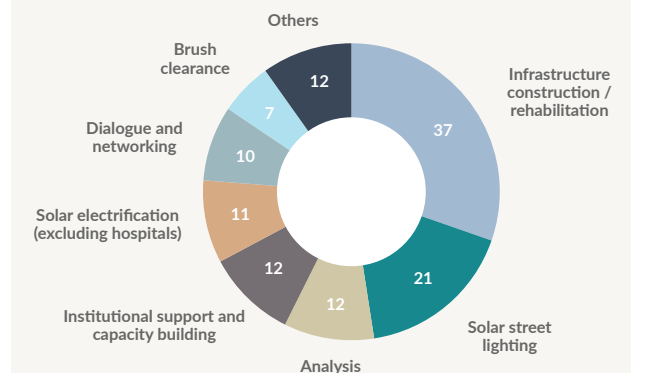
The “Others” category includes interventions such as grant management, cobblestone road construction, WASH, flood defense, TVET and vocational training, waste management and Youth focused programming/NETS.

These interventions led to the delivery of the following outputs:

NIS Ongoing Projects in 2020



NIS Interventions in 2020



Political crisis - conflict

Humanitarian Actions

Through INGOs

- Food
- Shelter
- Medicine
- Protection
- Camps
- Water
- Women's Issues

Security Services Econ Opps Trust

Stabilisation Gap

Long-term development

Development Activities

Through Government

- Policies
- Security
- Gov't Services
- Regulation
- Trade
- Economic Growth
- Environment



429 solar systems installed



8 roads cleared of bushes



1130 streetlights installed



10 roads constructed



15 water systems installed



1 stadium rehabilitated/constructed



26 other buildings constructed (including government offices, markets, and schools)

Letter from the Senior Partners

To say that 2020 was a uniquely challenging year would be an enormous understatement. The entire world was impacted by the COVID-19 pandemic in one way or another. NIS' operations in Somalia, Myanmar and Mali were no exception. The year saw most NIS expatriate staff vacating Myanmar owing to its inadequate healthcare infrastructure and lack of access to better services in nearby countries; in Somalia many activities were delayed and/or modified to avoid in-person gatherings; and in Mali the disruption to international shipping saw delays to activities there. As an organisation that specialises in working in difficult environments, the additional aspect of navigating through a global pandemic tested the limits of the organisation and our systems.

Given NIS' unique operating positions in our programme countries, we were called upon by donors to assist in delivering COVID-19 related activities in Myanmar and Somalia, either through the secondment of experts; provision of grants mitigating the impacts of COVID or assisting in arranging procurements

and delivery of person protection equipment for other donor partners. During this trying time, NIS was able to meet the challenges and continue delivering quality programmes, as well as meet some more "customised" requests from donors. Importantly, this was accomplished while continuing to prioritise employee safety and well-being through the provision of awareness raising actions, provision of protective equipment and the provision of counselling services for those suffering from the emotional and mental effects of the pandemic. As an organisation, NIS staff truly came together during 2020 to meet the collective challenge that COVID-19 created for everyone.

By year's end, NIS and our donor partners were having intense dialogues about how best to modify programming going forward. The sad truth is that the pandemic merely served to exacerbate many of the social and economic problems driving instability in our programme countries, making our work going forward all the more important. We expect that 2021 will be a year of adaptation, innovation and consolidation,

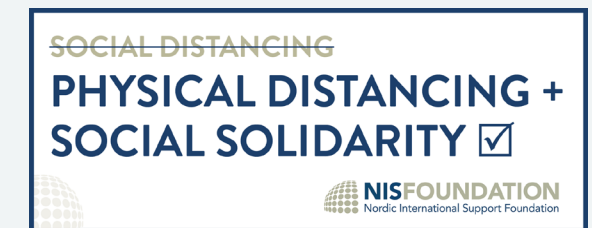


Construction of Awdhegle Primary School, Somalia

COVID-19 organisational response in 2020

The COVID-19 global pandemic was a dominant feature for the entire world in 2020. As a global operator, the COVID-19 pandemic posed numerous challenges for the organisation across varied operating environments, including health infrastructure, political instability, security risks and extensive travel and logistics limitations. The pandemic saw a range of actions across programmes, focussing on protecting NIS staff in all locations while maintaining implementation capacity. This saw NIS HQ, as well as country offices, moving to a work-from-home set-up. In many cases, employees in country offices required support to ensure home-based offices had sufficient equipment and internet connections to carry-out their tasks. Some higher-risk staff were relocated to their home countries, as the ever-evolving limitations on travel and entry

during 2020 made keeping those individuals in post too risky on health grounds. From NIS HQ, regular Emergency Management Team (EMT) meetings were held with country-level management to ensure all necessary measures for protection were being taken and to identify resources and support to best preserve implementation capacity. Further to this, NIS ensured that confidential counselling services were made available to programme staff during 2020, to help those struggling with the effects of the pandemic.



as we strive to deliver effective programming with a new layer of complexity added to an already challenging landscape.

Developments in funding and position

While 2020 was characterised by continued growth, our consolidation measures allowed NIS to keep administrative costs stable as a percentage of total income.

We continued to work with securing long-term financing in line with our strategy. In Somalia, NIS secured an additional 30-month grant from the European Union. On the whole, we believe NIS is well equipped to continue progressing in a positive direction.

Sincerely,

Eric Sevrin & Christopher Eads
Senior Partners

The NIS Approach – How our PROVE principles 2.0 are implemented

In 2019, NIS introduced its second iteration of our PROVE Principles (see NIS Annual report 2019 and website). These principles guide the design and implementation of our programming in a variety of ways. Each element of the PROVE Principles seeks to ensure a holistic approach is taken when trying to assist conflict-affected countries and environments to transition towards peace and stability. In order to illustrate how these functions in practice, see below for how selected projects from our portfolio support different elements of the PROVE Principles. Many projects often support multiple principles at the same time, so the below descriptions are to illustrate broader points only and are not exhaustive examinations of each intervention.

First, PROVE 2.0 stands for: **Politically attuned, Restorative, On-demand, Value-adding** and **Expedited**. A project conceived of under the PROVE Principles 2.0 observes the following criteria:

- **Politically attuned** – projects must be designed and managed in a way that incorporates the complex politics often present in conflict-affected environments. Genuine political understanding not only relates to local politics, but also the politics of the region, global considerations, as well as inter-donor politics and how donor missions interact with their capitals. Only through acknowledging these multiple dimensions can programmes be implemented in a Conflict Sensitive manner and avoid causing potential harm.
- **Restorative** – projects must help to restore the functioning of key societal elements such as economic activity, social interaction, public service provision, a safe security environment and social trust.

- **On-demand** – projects must provide benefits that cater to the most immediate needs demanded by project beneficiaries, including better security, improved economic and community infrastructure, increased livelihoods, capacity-building and greater social inclusiveness.
- **Value-adding** – projects must be designed to add-value in an operational context. This can mean complimenting and boosting the effectiveness of existing projects, furthering discussions of difficult issues or challenging the status quo, including project themes, locations, technologies or types of intervention.
- **Expedited** – projects must be implemented quickly and with minimal time lag between initial discussions and actual project implementation, as windows of opportunity are unpredictable and most conflict-affected communities have expectations that have long been waiting to be fulfilled. Responsive and timely implementation builds the trust, momentum and optimism necessary for projects to succeed, regardless of a project's main objectives.



Dayniile Road Construction, Somalia

Implementing PROVE in the real world 2020

Politically attuned – Two NIS projects in particular were good examples of this principle in practice in 2020: the Joint Peace Fund Technical Secretariat (JPF-TS, Myanmar) and the Initiative for Stabilisation, Transition and National Development (I-STAND, Somalia).

The **JPF-TS** has established itself as an impartial supporter of the nationally owned peace process. In 2020 the JPF kept working intensely to establish discreet trusted relationships with all peace process stakeholders, including representatives of government, ethnic armed groups and national civil society. It is only through being “politically attuned” that the JPF-TS has been able to develop these relationships and provide grants and advisory support for a broad range of activities to all relevant stakeholders.

Restorative – Countries suffering from extended conflict not only experience the destruction of physical infrastructure, but also from the destruction of social trust, livelihoods and the provision of key services. To NIS projects are notable for their illustration of the restorative principle: the Paung Sie Facility (PSF) and the Somali Experts Secondment for institutional capacity building (SES).

The **PSF** is a multi-donor fund aimed at strengthening social cohesion in Myanmar. Since 2014, the PSF has provided funding to 75 national and international partner organisations, supporting work in the areas of inter-religious dialogue, conflict mitigation, countering gender-based violence, empowering women's groups, counter

The **I-STAND** programme in Somalia is a large, multifaceted programme covering all of Somalia. Given the diversity of the programme's locations, I-STAND is being implemented in cooperation with multiple government institutions across every layer of government, from the central to the district level across the 6 districts intervened by the programme in 2020. Politics in Somalia are very complex and navigating the political landscapes across regions requires an in-depth political understanding of the country. NIS ability to implement in coordination with several institutions (at times in opposition to one another), demonstrate the importance of being politically attuned to the operating environment in order to achieve results.

hate-speech activities and civil society capacity building, work that was maintained throughout 2020. These programmes are largely working at the grassroots level, attempting to address the social fissures that divide Myanmar society and create a drag on the country's ability to transition away from conflict.

Our second highlighted project is the **SES** in Somalia. The SES kept helping to find and recruit high-capacity Somalis from the Diaspora around the world and place them within key government ministries at the Federal and State levels in Somalia. Providing this kind of technical expertise is essential for restoring the functions of the Somali State following decades of conflict.

On-demand – Conflict affected communities and institutions have a wide range of needs to be met through international support. Providing support to what these communities express a need for most is critical to helping them to recover from the effects of conflict.

NIS’ funding mechanisms in Myanmar (JPF, PSF and the Women’s Voice and Leadership programmes) have all been designed as flexible, responsive funds, aimed at meeting requests for funding and technical support to organisations working within the defined mandates of each fund. This responsiveness was essential during this year as all these

Value-adding –Designing interventions that add value to existing programmes or introduce new approaches in a given context is a goal of many of our projects. Two projects that stand out in this regard are the cobblestone road construction project in Baidoa, Somalia and technical and vocational training in Mogadishu.

Cobblestone road technology had been introduced in neighbouring Ethiopia several years prior, as a means for improving road infrastructure, while at the same time creating jobs all along the value chain—from quarrying to laying of the cobblestones. With support from the Norwegian government, NIS was able to introduce the use of cobblestone road technology in Baidoa town, Somalia in the reporting year. The project resulted in the creation of new employment opportunities

Expedited – Speed in decision making an implementation is often a major weakness when looking at interventions in complex environments. NIS strives to limit response and implementation times by presenting donor with clear, concise options and working closely with implementing partners in the field.

mechanisms adapted to provide support to the CSOs in the country to maintain operations through the pandemic.

At a more intervention-based level, NIS’ I-STAND, EU-funded Stabilisation & Peace Dividends and Social and Economic Development programmes in Somalia kept working directly with local communities and government institutions to deliver infrastructure projects that meet actual needs on the ground. Every intervention type is based on the expressed and demonstrated needs of the communities being targeted.

and is now the focus of a large programme being implemented by the International Labour Organisation (ILO).

The technical and vocational educational training (TVET) project implemented by NIS in Mogadishu, sought to add-value to an existing local provider of TVET, rather than building a programme from scratch. By working with an existing institution and providing funding and technical support to its operations, NIS was able to increase their class sizes and offering, as well as forging an agreement with the Somalia Chamber of Commerce for additional funding and job placement cooperation. By building upon existing capacities, NIS was able to generate greater returns from the project than otherwise would have been possible.

In Myanmar, the PSF established a rapid response package for partners, as result of the COVID-19 outbreak in March 2020. The PSF launched a call for proposals for COVID-19 Prevent and Prepare Together (P&PT) grants for former and existing partners, or new partners meeting due diligence requirements in early March. By

months’ end, 45 applications were received with 20 grants approved.

On the implementation side, NIS has carried out several brush clearing projects in newly liberated areas of Somalia, in some of the highest risk environments. In early 2020, NIS implemented the clearance of 2.km of

dense brush along the main road outside Janaale Town, taking just seven weeks from the recruitment of 100 labourers to the conclusion of the brush clearing works. The pace of implementation and quick impact of the project on local security and transport provided a boost of confidence in an unstable area at a key moment in time.



Baidoa Cobble Stone Road Project, Somalia

Some positive advancements

In Somalia, NIS kept directing interventions to aid authorities at different levels in gaining legitimacy and trust from communities. Overall, perceptions of government’s performance in the provision of services and its engagement with the communities improved in most of the 30 districts and towns intervened in 2020, leading to a large increase (of almost 50 points) in positive perceptions of authorities. This progress came in hand with positive developments in perceptions of security and economic opportunities, dimensions that are heavily influenced by the interventions carried-out by NIS across locations.

Gains for civil society, women and gender equality in Myanmar were made in 2020. The country not only saw a modest increase in the representation of women in public and political processes, but a formal Gender Policy was also discussed with the Kachin State People Party, steps that have set the path to an increased enjoyment of human rights by women and girls and the advancement of gender equality in the country. At the same time, and despite the pandemic, women rights and civil society organizations managed to sustain their operations and even reported a broader reach and an improvement on the quality of the services they delivered largely due to the support they received from NIS projects’ funding.

Snapshots from our Programmes in 2020

■ Somalia

In Somalia, the COVID-19 pandemic slowed, but did not stop programme activities. In 2020, cases of COVID-19 were more limited than in many other countries, allowing implementation to continue, though with mitigation measures in place. These included work-from-home (WFH) arrangements being put in place in April. However, these were eased in May 2020, with one member from each team allowed to be in the office, and further in July, with two members allowed. Key preventive measures such as mask wearing and physical distancing were kept in place throughout the year. On the programme side, NIS was requested to support COVID-specific activities for some projects, including the provision of COVID-19 prevention equipment and materials to Somali authorities; COVID-19 awareness raising and training exercises for programme partners; and the secondment of 16 high-profile consultants for four months to support Federal and State-level governments in COVID-19 coordination and response efforts, under the Swedish-funded, Strengthening Somali Institutional Capacity through Diaspora (SES) programme. Additionally, 64 volunteer health workers were recruited for four months to assist health institutions and facilities.

Within this new operational realities, NIS' Somalia efforts remained focussed on implementing programmes on behalf of donors including the EU, Norway, Sweden and IOM. In October 2020, NIS signed a new 30-month contract with the EU to implement the Infrastructures for Socio-Economic Development (ISED) programme. The multi-year programme's key activities are construction of markets, access roads and water infrastructure to improve the livelihoods of people in the priority corridors/ geographic areas. It is complementary to NIS' existing "Stabilisation and Peace Dividends" project with the EU. A new contract was also agreed with the International Finance Corporation (IFC) to provide administrative and logistics support to selected consultants working on behalf of the IFC in-country.

Extensive works were carried out during 2020 under the Norwegian-funded, Initiative for Stability and National Development (I-STAND) programme, all across Somalia and Somaliland. Interventions implemented during 2020 included the rehabilitation of key roads, a large-scale waste collection and removal project in Mogadishu, installation of solar-powered streetlights and the construction of markets, administration buildings and community centres.



Photo: NIS. Cleaning the Mogadishu seafront, Harmarweyne Beach, Mogadishu, Somalia (before)



Photo: NIS. Cleaning the Mogadishu seafront, Harmarweyne Beach, Mogadishu, Somalia (after)

■ Myanmar

2021 Update on Myanmar

While falling outside this reporting period, the context in Myanmar changed dramatically in early 2021. On 1 February, the Tatmadaw (national armed forces) overthrew the elected civilian government and took power in a pre-dawn coup. The Tatmadaw issued a statement on 1 February proclaiming that its objectives in taking power were to investigate allegations of voter irregularities, incompetence on the part of the Union Election Commission, and "possible voter fraud"; to hold a free and fair election in accordance with the 2008 Constitution; and to transfer power to the winning party in line with democratic standards.

In the weeks following the coup, the situation has evolved from one of having hundreds

of thousands of people demonstrating on the streets against the coup under banner of "Civil Disobedience Movement", to the proliferation of local militias called public defence forces (PDFs), engaged in actively fighting the military regime. At the time of writing the military has shown no indication that it has any intention of reinstating the elected civilian government and instability in the country is expected to continue, with increasing levels of violence for some time to come.

As a result of political developments since February 2021, NIS programming inside the country has been paused and is currently under review.

Despite the limitations on in-person gatherings due to COVID-19 in 2020, work in support of Myanmar's formal peace process, as well as efforts to strengthen social cohesion and women's rights continued in 2020 through the implementation of our four programmes there: Paung Sie Facility (PSF); Joint Peace Fund Technical Secretariat (JPF-TS); Women's Voice and Leadership (WVL); and Local Insights Service (LIS).



NIS' **PSF** project is currently in its third phase, funded by, UK, Sweden and Australia. The PSF remains focussed in its core areas of mitigating communal conflict, catalysing leadership and influencing structures to support social cohesion throughout Myanmar. While continuing and

iteratively improving existing initiatives, PSF seized the COVID-19 crisis as an opportunity for the facility and its partners to lead the civil society response to mitigate local conflict and social tensions. PSF rapidly rolled out a call for proposals and a process for partners to adapt their projects. These projects were aligned with PSF's theory of change.

For the **JPF**, the Covid-19 pandemic affected almost all aspects of operations during 2020. JPF has worked closely with its implementing partners to identify their key needs and maintain their operational and organizational continuity during a time when many activities were postponed or moved to a virtual space. Following the announcement on 23 March of the first confirmed cases of Covid-19 in Myanmar, and the subsequent rollout of national and local level orders and related policy changes, JPF transitioned from a preparedness phase into a full adaptation phase with implementing partners and peace process stakeholders which



JOINT PEACE FUND

The Joint Peace Fund has been set up by international donors to support Myanmar on the path to sustainable peace.

was maintained over the course of the year. As Covid-19 spread globally, JPF continued to work closely with all implementing partners to preserve gains made towards peace and to look for ways to promote collaboration and common action to advance peace efforts during the pandemic.



With Multi-Year Funding and support launched in 2019, the **Women's Voice and Leadership** team conducted several application screenings and assessments in early 2020. By April,

implementation agreements were finalised with ten women's rights organisations (WROs). WWL then launched its first round of the Rapid Response Fund (RRF) in May, focusing on responding to the strategic needs of women and girls related to COVID-19, with eight implementing partners receiving funding through this mechanism. A second round of the RRF was launched in December. Additionally, WWL received funding from FCDO starting in September. This was used to launch the Resilience, Recovery and Renewal (RRR) Fund, aiming to sustain WROs through the pandemic. Nine organisations were selected to receive funding under the RRR Fund.



From January to December 2020, the UK-funded **Local Insights Service (LIS)** project produced written and verbal reports and briefings on a wide range of topics for DFID/FCDO and partners. LIS was able to consolidate and produce quality projects, even while major adaptation in both subject focus and working styles was needed due to the COVID-19 pandemic.

■ Mali

In 2020, NIS Mali started implementing the Renewable Energy for Peace and Stability in Mali programme. 60 solar poles were installed in Gao's markets as well as in the village of Forgho. The planned interventions in the villages of Hombori and Bentia were postponed to 2021 due to the insecurity on the roads leading to these villages. The programme is financed through the Energizing Development Fund (Endev) in close cooperation with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). It focusses on the delivery of solar-powered streetlights, solar PV production and solar-PV home systems in northern Mali. The programme includes the extension of nano grids and establishment of new nano grids in 3 villages, installation of 80 solar streetlights in markets in Gao, creation of energy kiosks, provision of home solar systems and extensive training of local technicians in the targeted communities.



Photo: NIS. Solar streetlights at a market in Gao, Mali

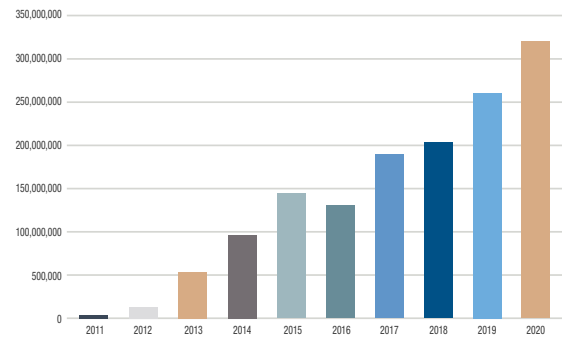


Photo: NIS. Solar streetlights in Gao, Mali

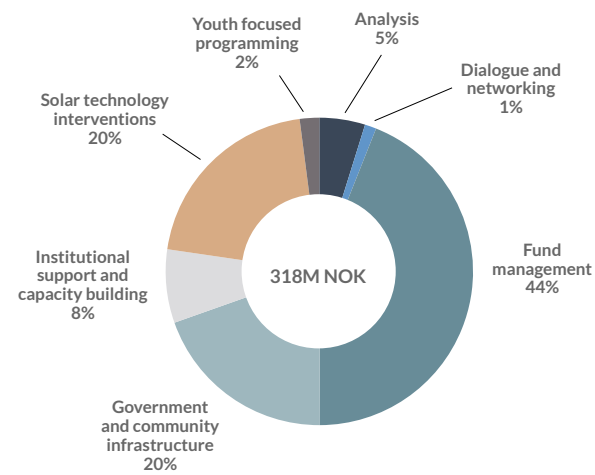
NIS Mali also successfully expanded the Solar Street Lights Programme in Gao and Timbuktu. Financed by the Norwegian government via the trust funds of the MINUSMA, an additional 250 solar streetlights and traffic lights on 8 junctions were installed in Gao as well as 70 solar street lights in Timbuktu, the two biggest cities of the North of the country.

Funding: Charts

Funds Acquired by Year (NOK)

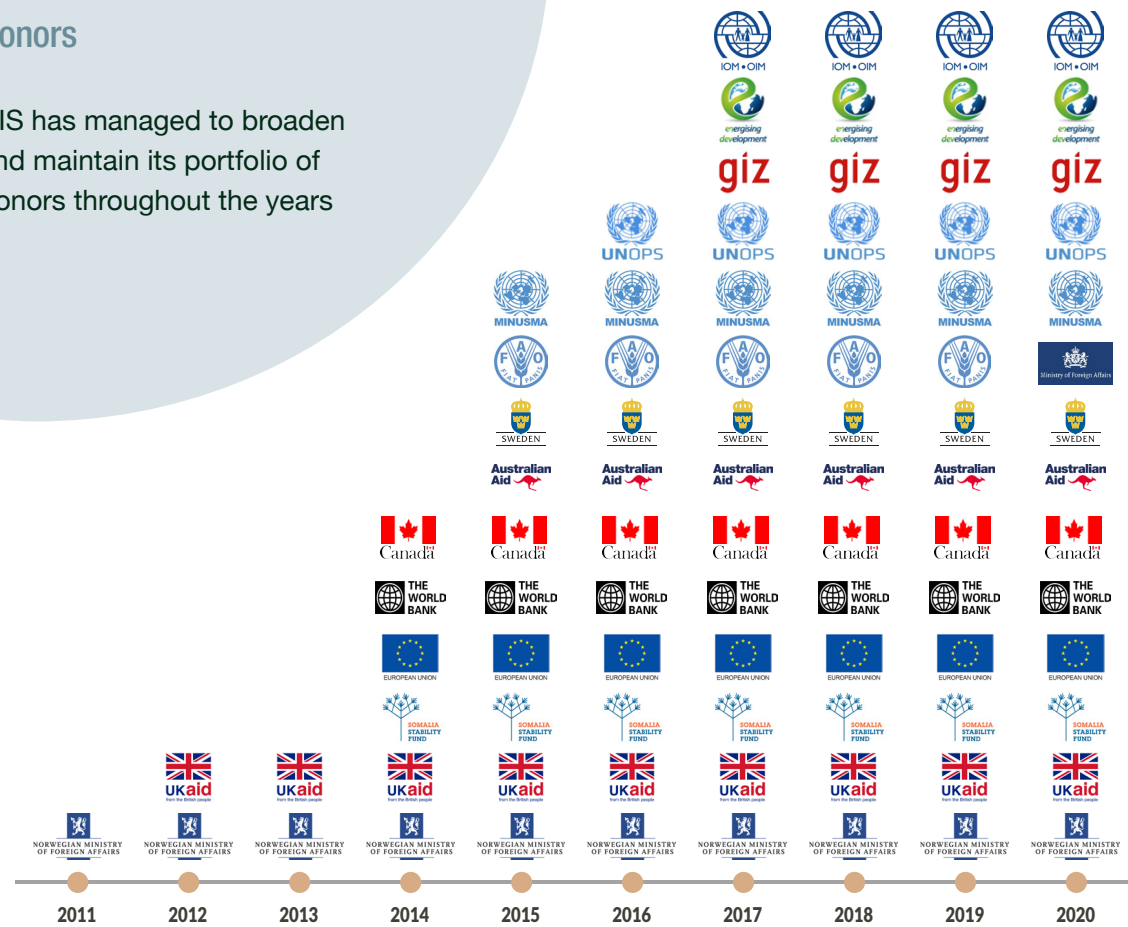


Funds Acquired by Project Type in 2020



Donors

NIS has managed to broaden and maintain its portfolio of donors throughout the years



Activity Account

	Notes	Results 2020	Results 2019
INCOME			
Grants	3	300,989,152	243,555,362
Administration grants	3	17,418,429	13,674,735
Total grants		318,407,581	257,230,097
Financial income	2	4,346,466	1,733,169
Total income		322,754,047	258,963,267
EXPENDITURES			
Activities			
Project costs	4, 6	308,693,955	245,288,532
Total costs related to activities		308,693,955	245,288,532
Administration costs	4	7,948,703	6,065,922
Total expenditure	2, 5	316,642,658	251,354,454
Net results from the activities of the year		6,111,388	7,608,812
Changes in organisational capital			
Transferred to / from (-) other organisational capital		6,111,388	7,608,812
Increase / decrease (-) of organisational capital		8	6,111,388

Balance Sheet

	Notes	Results 2020	Results 2019
ASSETS			
Fixed assets			
Operating equipment, furniture, tools, other	6	3,372,918	4,524,669
Total fixed assets		3,372,918	4,524,669
Current assets			
Receivables			
Grants	3	54,924,208	20,773,108
Other current receivables	7	2,738,570	4,249,847
Total receivables	57,662,777	25,022,955	
Bank deposit, cash and cash equivalents	7	193,743,323	134,025,769
Total current assets		251,406,100	159,048,723
Total assets		254,779,018	163,573,392
Organisational capital and liabilities			
Fund balances			
Registered capital		100,000	100,000
Other organisational capital		15,929,512	9,818,124
Total organisational capital	8	16,029,512	9,918,124
Liabilities			
Current liabilities			
Accounts payable		909,314	1,163,334
Government taxes and social security		435,513	400,564
Received, unused grants	3	236,350,756	151,204,106
Other current liabilities	1,053,924	887,265	
Total current liabilities		238,749,506	153,655,269
Total organisational capital and liabilities		254,779,018	163,573,392

Cash flow statement

	2019	2018
Items in the annual activity accounts that have no direct cash effect		
Net results from the activities of the year	6,111,388	7,609,812
Depreciation	1,948,408	1,720,802
Sum of items in the annual activity accounts that have no direct cash effect	8,059,796	9,330,614
Investments, disposals and financing activities		
Acquisition of other tangible assets	-796,658	-3,400,670
Sum of investments, disposals and financing activities	-796,658	-3,400,670
Other changes		
Net movements in grants	34,151,100	-4,334,441
Increase / decrease (-) in account payables	-254,020	-3,423,402
Change in other provisions	18,557,335	35,545,774
Sum of other changes	52,454,415	27,787,931
Net change in cash and cash equivalents	59,717,554	33,717,876
Cash and cash equivalents at the beginning of the period	134,025,769	100,307,893
Cash and cash equivalents at the end of the period	193,743,323	134,025,769

Notes to the Accounts at 31 December 2020

NOTE 1 ACCOUNTING PRINCIPLES

The annual accounts are prepared in line with the Norwegian Accounting Act and the temporary Accounting Standard for Non-profit organizations, and consists of the following:

- Statement of financial activities
- Balance sheet
- Cash Flow statement
- Notes

Revenue recognition/grants

Grants are recognized as income concurrently with expenditure on the relevant activity for that particular grant.

Received funds relating to grants are classified as debt on the balance sheet until the funds are spent on relevant activities.

Not received / not reported funds are classified as receivables on the balance sheet.

Financial income

Interest income is recognised as it accrues.

Resources expended

Resources expended are classified as cost of organisational activities and administration costs. The expenditure is related directly to the activity or project it belongs to.

Tax

In accordance with Norwegian Tax Law, cf. § 2-32, the organization is not considered taxable.

Classification and valuation of balance sheet items

Non-current assets are assets intended for long-term ownership or use. All other assets are current assets. Receivables that fall due for payment within one year

shall not be classified as non-current assets. Similar criteria apply to liabilities.

Current assets are valued at the lower of acquisition cost and fair value.

Non-current assets are written down to fair value upon any impairment that is expected not to be temporary. Long-term debt is recognised at nominal value at transaction date.

Fixed assets

Tangible fixed assets are recognised in the balance sheet at cost and are depreciated over the asset's expected useful life on a straight-line basis. Assets that consist of significant parts with different useful lives are depreciated separately. Repair and maintenance are expensed as incurred. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset are reduced to its recoverable amount. The reduction is recognised as an impairment loss.

Receivables

Accounts receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of an individual assessment.

Foreign currencies

Transactions in foreign currencies are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the closing rate at the balance sheet date. Exchange differences are recognised as other financial income, administration costs and project costs.

Cash flow statement

The statement of cash flow is presented in line with the temporary Accounting Standard for Non-Profit organizations. Cash and cash equivalents include cash, bank deposits, and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 2 EXPENDITURE SPECIFIED BY TYPE

Expenditure specified by type

Operating expenses	2020	2019
Goods and services from subcontractor	208,182,992	170,235,593
Employee benefits expense	69,079,934	54,602,604
Depreciation of fixed assets	1,948,408	1,720,802
Other operating expenses	27,205,919	22,483,606
Sum of operating expenses	306,417,253	249,042,604

Notes to the Accounts at 31 December 2020 (continued)

Financial income

Other interest income	119,212	872,274
Gain on exchange	4,227,254	860,896
Sum financial income	4,346,466	1,733,169

Finance costs

Other interest expense	-	55,371
Loss on exchange	10,225,405	2,256,479
Sum finance costs	10,225,405	2,311,850

Net financial income	-5,878,940	-578,681
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Income and expenses are distributed to the activity they belong to in the Activity Account, as far as possible. This also includes financial income and finance costs. Total costs related to activities in the annual accounts includes sum of operating expenses and finance costs. Financial income is recorded on the Financial Income line in the annual accounts.

NOTE 3 GRANTS

Grants by source

Norwegian Ministry of Foreign Affairs	77,793,581
United Kingdom (FCDO/DFID)	43,321,076
UNOPS	55,649,129
Sweden (SIDA)	45,119,979
Australia (DFAT)	14,895,396
EU, Somalia Stability Fund, Canada (GAC), MINUSMA, IOM, Germany (GIZ) og Energizing Develop. (EnDev), the Netherlands and World Bank/IFC	81,628,420
Sum	318,407,581

Unused funds at project end are completely refunded.

Unused funds per 31.12.20 was NOK 236 350 756, classified as debt on the balance sheet.

Not received/unreported funds per 31.12.20 was NOK 54 924 208, classified as receivables on the balance sheet.

Notes to the Accounts at 31 December 2020 (continued)

NOTE 4 PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, ETC

Payroll expenses	2020	2019
Salaries	58,684,523	44,143,315
Payroll tax	868,395	762,710
Pension costs	278,499	219,820
Other benefits	9,248,518	9,476,759
Total payroll expenses	69,079,934	54,602,604

Number of full-time equivalents in Norway in the accounting year	12	9
Number of full-time equivalents outside of Norway in the accounting year	170	149

Remuneration to management	General manager	Board member
Salaries/board fee	749,550	-
Other benefits	1,456	-
Sum	751,006	-

The company is required to provide an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions. The company's pension scheme complies with the requirements under that law.

Remuneration to auditors (amounts including VAT)	2020	2019
Statutory audit	143,750	131,250
Other non-auditing services	28,375	21,531

NOTE 5 SPLIT OF COSTS ON ACTIVITIES AND ADMINISTRATION

The percentage rate of used funds relating to project activities and administration are calculated based on the total expended resources.

	2020	2019	2018	2017	2016
Project activities rate %	97,5 %	97,6 %	98,2 %	96,5 %	92,4 %
Administration rate %	2,5 %	2,4 %	1,8 %	3,5 %	7,6 %

Collection rate

The collection rate is calculated according to guidelines from the Norwegian Control Committee for Fundraising (Innsamlingskontrollen) to show the rate of funds raised compared to the amount of funds used for the Foundation's activities. Grants are the only source of income for the Foundation, and according to the guidelines from the Norwegian Control Committee for Fundraising, grants shall not be included in the basis for calculation of the collection rate.

Thus, the collection rate is not calculated for Nordic International Support Foundation.

Notes to the Accounts at 31 December 2020 (continued)

NOTE 6 FIXED ASSETS AND INTANGIBLE ASSETS

Tangible fixed assets	Intangible fixed assets	Cars	Machines and inventory	Total
Acquisition cost at 01.01	535,679	2,415,982	6,330,052	9,281,712
Additions	-	-	796,658	796,658
Disposal	-	-	-	-
Acquisition cost at 31.12	535,679	2,415,982	7,126,710	10,078,370
Accumulated depreciation 31.12	-388,268	-1,128,209	-5,188,974	-6,705,451
Net carrying value 31.12	147,411	1,287,773	1,937,736	3,372,918

Depreciation for the year	178,560	264,115	1,505,733	1,948,408
Expected economic life	3 years	10 years	3-5 years	

NOTE 7 RESTRICTED BANK DEPOSITS

	2020	2019
Restricted bank deposits		
Withheld employee taxes	369,396	303,080
Grants account	133,722,689	193,373,927
Rent deposit	195,600	195,600

NOTE 8 ORGANISATIONAL CAPITAL

	Registered capital	Other organizational capital	Sum
Organisational capital at 31.12.2019	100,000	9,818,123	9,918,124
Net results from the activities of the year	6,111,388	6,111,388	7,608,812
Organisational capital at 31.12.2020	100,000	15,929,512	16,029,512

NOTE 9 GOING CONCERN AND SUBSEQUENT EVENTS

In accordance with the rules in NRS 3 regarding events after the balance sheet date, as well as the rules in the Accounting Act regarding going concern, the Foundation's board of directors and management refer to the February 2021 military coup in Myanmar.

The Foundation is, like almost all organisations with activities in Myanmar, affected by the coup. How the coup will affect the assumptions of going concern will depend on how long the situation will last, what measures the authorities and donors will take, and how the aforementioned risks will actually affect the foundation. The coup is expected to entail a reduction of the level of the foundation's activities in Myanmar. However, based on the various approvals secured by the foundation from its donors and the information available at the present time, the board of directors considers it reasonable to use the assumption of going concern in the preparation of the annual accounts.



RSM Norge AS

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Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nordic International Support Foundation showing a profit from activities of NOK 6 111 388. The financial statements comprise the balance sheet as at 31 December 2020, statement for activities and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Foundation as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial

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Independent Auditor's Report 2020 for Nordic International Support Foundation

statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Foundation's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Opinion on Governance

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that the Foundation is governed in accordance with the law, the Foundation's purpose and the articles of association.

Oslo, 24 June 2021
RSM Norge AS

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Working in conflict and post-conflict environments, we lay the utmost importance in conducting our work to the highest ethical standards. If you wish to raise a concern, please see our whistleblowing form on our website at www.nis-foundation.org.