

Annual Report **2021**



Danish Refugee Council (DRC)

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Annual Council Meeting:

The ordinary Annual Council Meeting will be held on 30 May 2022

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Design: **DRC Global Communication and Fundraising**

These 25 organisations are today members of the Danish Refugee Council:

ADRA | Amnesty International | CARE Denmark | Confederation of Danish Employers |
The Danish Chamber of Commerce | Danish People's Aid | Danish Authors' Society | Council of Danish Artists |
Danish Youth Council | The Danish Union of Teachers | The Danish Musicians' Union |
The Jewish Community in Denmark | FH, Danish Trade Union Confederation | FOA |
Danish United Nations Association | DanChurchAid | The Danish Adult Education Association |
HK Denmark | Women's Council in Denmark | ActionAid Denmark | Oxfam IBIS | Save the Children, Denmark |
St. George's Guilds in Denmark | The Intercultural Christian Centre Denmark | UNICEF Denmark

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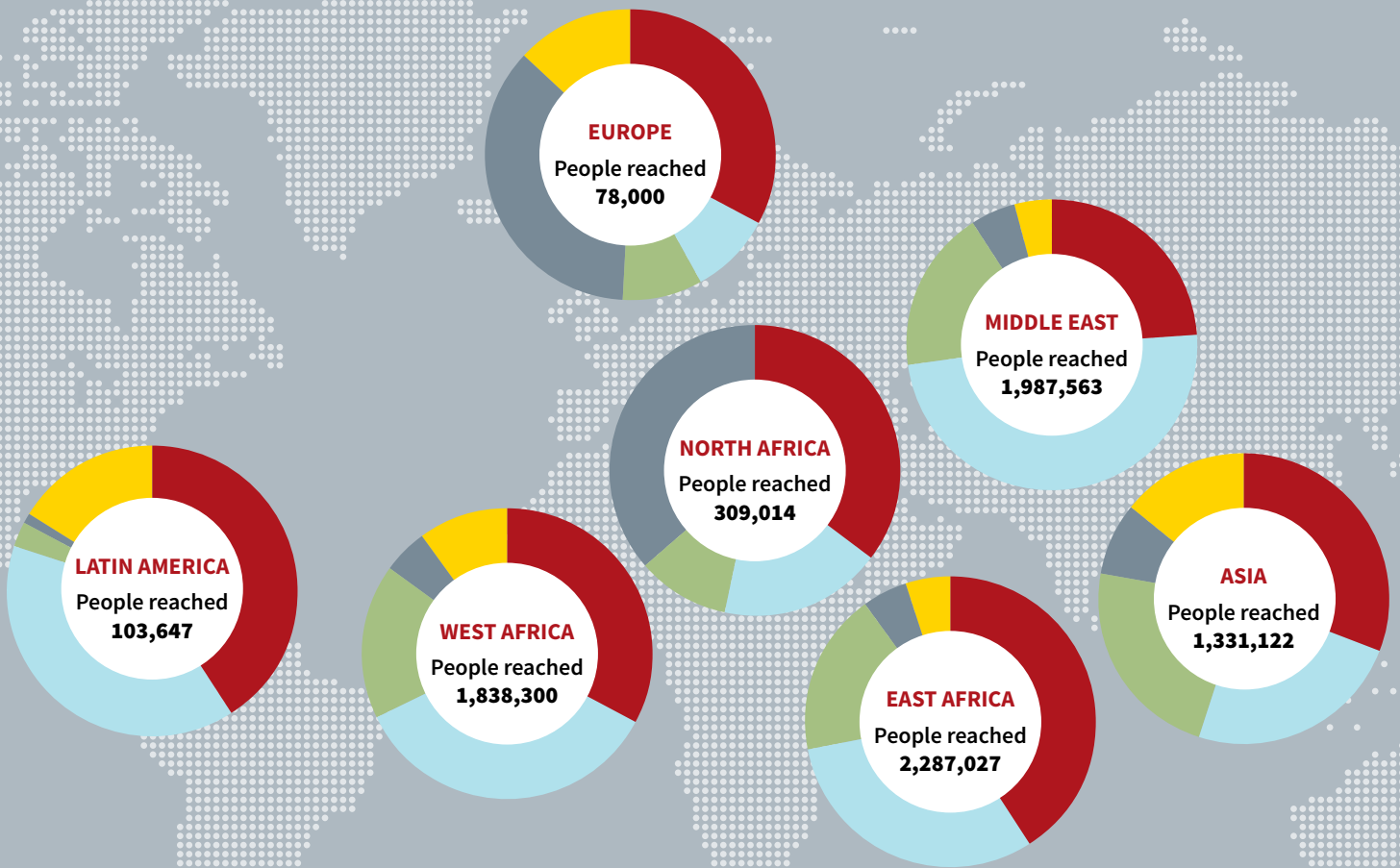
Financial Highlights

DKK in millions	2021	2020	2019	2018	2017
Income-generating activities					
Public and private funds collected (restricted)	2,938	2,990	2,895	2,671	2,553
Private funds collected (unrestricted)	86	74	79	76	68
Income from own activities	99	157	211	371	505
Total income from income-generating activities	3,123	3,221	3,185	3,118	3,126
Expenses related to income-generating activities	2,841	2,868	2,789	2,593	2,549
Expenses related to own activities	106	190	223	356	375
Net financial income/expenses**	-20	-9	-12	-10	25
Result from income-generating activities	196	173	185	179	177
Administrative expenses*	163	168	205	211	179
Result/loss before special-purpose activities	33	5	-20	-32	-2
Special-purpose activities	8	9	9	14	17
Profit/loss for the year	25	-5	-29	-46	-19
Balance Sheet					
Non-current assets	1	1	1	2	4
Current assets**	1,317	1,190	1,046	959	1,107
Total assets	1,318	1,191	1,047	961	1,111
Equity-distributable funds**	385	360	364	384	412
Equity-restricted funds	0	0	1	10	28
Total equity	385	360	365	394	440
Provisions	69	70	66	62	54
Other liabilities**	864	761	616	505	617
Total equity and liabilities	1,318	1,191	1,047	961	1,111
Financial Ratios					
Profit margin on collection funds and income-generating activities	6.3	5.4	5.8	5.7	5.7
Administrative expense ratio*	5.2	5.2	6.4	6.8	5.7
Special-purpose activities ratio	0.2	0.3	0.3	0.4	0.5
Consolidation ratio**	0.8	-0.1	-0.9	-1.5	-0.6
Safety margin**	12.4	11.2	11.4	12.5	14.2
Equity ratio**	29.2	30.2	34.9	41.0	39.6
Share of restricted funding	94.1	92.8	90.9	85.6	81.7

***Administrative expenses.** The Danish Refugee Council calculates administrative expenses as total HQ expenses plus the year's capacity-building investments and strategic initiatives.

****Restatement of 2020 and 2019 balances.** Several balances in 2020 and the comparative figures for 2019 stated above have been restated due to identified errors in the previously stated financial statements. Refer to Note 17 in the financial statements for specific details of the balances that have been restated and for commentary on the reason for restatement.

DRC Sector Allocation and People Reached



The regional figures of total people reached by DRC programmes are estimates that were made in November 2021 before final results were available. These estimates are based on extrapolating previous annual results and are therefore expected to only provide an overall trend of programme reach.

The cost per person reached is different for each sector, some outputs are more elaborate and expensive than others. The proportion of financial volume by sector is therefore not a reflection of how many people were reached per sector.





Foreword

The recent catastrophic events in Ukraine are only the latest example of how man-made crises kill civilians and force millions of people to flee their homes, becoming dependent on humanitarian support for their survival. During 2021, we witnessed deteriorating humanitarian and displacement situations in numerous countries around the world, including Afghanistan, Ethiopia, Myanmar, and the Sahel region of West Africa, and continuing humanitarian crisis and displacement situations in yet another number of countries and regions. It is therefore no surprise that in 2021 the world saw a record high of 85.8 million forcibly displaced people – a number that has more than doubled during the last ten years, and that will continue to grow in 2022.

Behind this abstract and anonymous number are human beings who have been forced to leave their homes because of violence, persecution, or war. They have been uprooted, leaving their entire lives behind. Like every other human being on this planet, they seek to live a life in dignity, freedom, and security.

This underlines the importance of DRC Danish Refugee Council's work. Whether easily accessible or profoundly remote, DRC works every day to reach displaced people who are suffering from the effects of conflict, climate change, food insecurity, and the socio-economic impacts of COVID-19.

Over the course of the year, we have both seen firsthand the difference that DRC makes for displaced people and host communities around the globe. We have been proud to meet our dedicated and competent staff who tirelessly, and often under extremely difficult circumstances, managed to deliver support to over 8 million people in need in 2021, providing protection, supporting economic recovery activities, ensuring shelter, managing camps, and supporting humanitarian disarmament and peacebuilding efforts.

In Denmark, our language schools and interpretation services closed at the end of 2021, and we are very

grateful to all of our colleagues who helped ensure the best possible transfer of tasks to new service providers. DRC Integration is now focusing on providing integration assistance to refugees and beneficiaries of family reunification. In 2021, DRC Integration helped many gain a foothold in the labour market and provided counselling for children and families. Furthermore, our valuable and strong network of volunteers offered support and counselling to more than 17,000 people throughout the country.

In 2021, DRC's Executive Committee approved the new global DRC Strategy 2025 that provides DRC with solid strategic guidance for responding to humanitarian challenges in the coming years. With this new strategy, DRC will focus on improving the protection of people in emergency situations, with a special focus on those who are hard to reach, and on expanding access to legal aid so that people can claim their basic rights. DRC will also focus on strengthening social and economic inclusion, allowing displacement-affected people to become self-reliant. With this global strategy, DRC also aims at building stronger partnerships and alliances with local actors and at reinforcing climate and conflict resilience in our programming.

As new crises and conflicts emerge and catch the attention of the international community, and others become protracted and tend to fade into the background, it is the role of multiple stakeholders at country, regional, and global levels to continue assisting people in need to the best of our abilities.

During 2021, DRC, in partnership with other stakeholders, also continued to advocate for meeting humanitarian needs on the ground, for the protection of the right to seek asylum, and for better global responsibility sharing, as developing countries continue to host an overwhelming 86% of the world's refugees. We will redouble our commitment to these efforts in 2022, as humanitarian needs grow and the humanitarian space shrinks in many places around the world.

DRC Strategy 2025

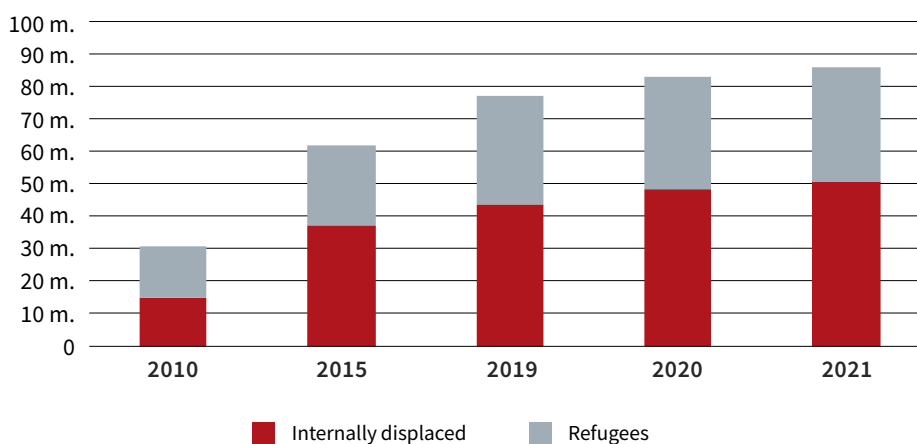
Forced displacement has almost doubled in the last ten years, from 41.1 million people in 2010 to 85.8 million in 2021. And the numbers keep growing. Unresolved conflicts, violence, climate change, environmental degradation, and the COVID-19 pandemic all prolong, exacerbate, and create new displacement for millions of people.

At the same time, policies and public sentiment have turned against displaced persons - in the countries

that host them, on migration routes, and in the countries where they seek asylum. Solidarity has eroded rapidly in recent years, humanitarian principles are under pressure, and non-inclusive policies focus on closing borders and deportations.

DRC will not let this be the answer to the growing number of people affected by conflict and displacement.

Number of Forcibly Displaced People, 2010-2021



Source: UNHCR Refugee Data Finder. Data for 2021 is until mid-year.

Strategy launched in 2021

Over the course of 2021, DRC developed the strategy that will guide all efforts towards 2025. It was launched in November 2021 after approval from DRC's Executive Committee. DRC Strategy 2025 was conceived with contributions from the entire organisation. It outlines the strategic goals and actions identified through in-depth analyses undertaken by DRC specialists and explains current trends within conflict and displacement.

With DRC Strategy 2025, DRC intensifies its fight against systemic inequality and structural discrimination against conflict- and displacement-affected persons by redoubling focus on the two breakthroughs that guide all DRC's work. The breakthroughs are overall strategic goals, and represent the changes which DRC desires to see for conflict- and displacement-affected persons all over the world. DRC wants increased protection and enhanced inclusion to be at the centre of all strategic decisions and tactical implementations.

DRC's Two Strategic Breakthroughs

INCREASED PROTECTION EQUAL TO OTHERS

People affected by conflict and displacement must be able to **seek safety and claim basic rights**

DRC's Goal:

By 2025, DRC will have supported (directly or indirectly) 15 million people affected by conflict and displacement to seek safety and claim basic rights

ENHANCED INCLUSION ON PAR WITH OTHERS

People affected by conflict and displacement must be able to **pursue self-reliance**

DRC's Goal:

By 2025, DRC will have supported (directly or indirectly) 13 million people affected by conflict and displacement to pursue self-reliance

Increased protection: The first breakthrough reiterates DRC's fundamental commitment to the protection of people affected by conflict and displacement. It responds directly to the increasing number of severe emergency situations, to the gravity and protractedness of conflicts, to growing humanitarian needs, to the particular protection concerns of people moving in irregular mixed migration contexts, and to the disregard of international legal frameworks and humanitarian norms.

Enhanced inclusion: The second breakthrough speaks to the social and economic inclusion of people affected by conflict and displacement, also in times of economic recession. Evidence proves that displacement-affected populations face greater barriers to self-reliance, employment, and entrepreneurship opportunities than non-displaced populations.

The strategic components supporting increased protection and enhanced inclusion

To act on these two breakthroughs, DRC has identified four **strategic programme initiatives** that will receive special focus and attention. These are core programmatic levers that support DRC's country operations in creating positive outcomes for persons affected by displacement and conflict:

- 1: Improving protection of the hard-to-reach
- 2: Expanding access to legal aid
- 3: Supporting better market access for all
- 4: Reinforcing climate and conflict resilience

Further, to improve the efficacy and efficiency of efforts, DRC has identified three **foundational strategic priorities** that will be leveraged as DRC delivers on its main goals of increased protection and enhanced inclusion:

- 1: Impactful advocacy based on more evidence
- 2: Stronger partnerships and alliances
- 3: Better value for money and more sustainable finance

And finally, as humanitarian challenges change, so must DRC. Therefore, in addition to the humanitarian principles

that govern all efforts, DRC has identified five **organisational principles** that must be reflected in all programmatic work and all internal and external relations:

- 1: Be accountable
- 2: Go local
- 3: Go green
- 4: Go digital
- 5: Include

With DRC Strategy 2025, DRC has set a beacon for the entire organisation to pursue its strategic ambitions, contributing to improve the lives of refugees and displaced people.

Working With the Strategic Components: A Few Examples

Go Green:

The three pillars of DRC's climate efforts

DRC acknowledges that climate change is a global phenomenon that increasingly interacts with the drivers of refugee and migration movements. With DRC Strategy 2025, DRC commits to respond to the global climate crisis and environmental degradation with a pledge to increase the adaptive capacities of people affected by conflict and displacement while ensuring that DRC's own conduct is nature-positive. In 2021, DRC rolled out its first **Framework on Climate Change and Environment** to guide these efforts.

DRC's climate-related efforts are organised into the following three core pillars:

1. **Adaptation in programmatic responses**
2. **Mitigation and reduction of carbon footprint**
3. **Evidence and advocacy**

Through **adaptation in programmatic responses**, DRC will strengthen the resilience of displacement-affected communities against climate changes and environmental degradation. With **mitigation and reduction of carbon footprint**, DRC pledges to reduce its own operational carbon footprint. Through the third pillar, **evidence and advocacy**, DRC uses evidence-based research to advocate for the rights of conflict- and displacement-affected people in situations negatively affected by climate change or environmental degradation.

Go Digital:

Cultivating digital opportunities for displaced communities

Digitalisation affects all aspects of DRC's work, as well as the lives of displaced populations. With life increasingly taking place in the digital sphere, it is essential that DRC includes digitalisation in its programming.

In DRC Strategy 2025, DRC commits to increase its ability to cultivate digital opportunities for people affected by displacement, for instance through digital cash transfers or employment possibilities for displaced persons. Increased digitalisation brings new opportunities to enhance the inclusion of displaced persons, and DRC will, with its Strategy 2025, be ready to take advantage of these.

Yet increased digitalisation may also increase the gap between those who have digital literacy and digital access, and those who do not. To tackle this digital divide, DRC will adapt its programming and, for instance, consider the provision of internet connectivity as one aspect of a dignified life, and therefore make this an integral part of programmes. Additionally, providing protection for displaced persons involves protecting the data of persons of concern, ensuring that information such as medical history and political affiliations remains safely and privately stored.

Working With the Strategy in Practice

DRC Global Event 2021: Digitalisation - the digital divide and forced displacement

Every year, DRC sets out to explore problems and their solutions around a pressing topic of transnational dimensions that affects displaced populations and challenges the humanitarian sector.

In 2021, gazes were turned to the megatrend of digitalisation in the context of the digital divide and forced displacement. Over a series of events and workshops that took place in the second half of 2021, experts and



practitioners from within and beyond the humanitarian sector got together to share their knowledge, experiences, and visions for the future.

Stronger partnerships and alliances: DRC is officially Grand Bargain signatory

The Grand Bargain is an agreement born at the World Humanitarian Summit in 2016 which brings together donors, the UN, and NGOs at equal footing. In December 2021, DRC officially became the 64th signatory of

the Grand Bargain. Being a signatory for the Grand Bargain gives DRC a unique opportunity to influence the humanitarian reform agenda and contribute to the positive change lined out in the DRC Strategy 2025.

Be accountable: DRC is re-certified against the Core Humanitarian Standard on Quality and Accountability framework.

While working to pursue its strategic goals, all DRC's programming efforts continue to be guided by the Core Humanitarian Standard on Quality and Accountability (CHS). Applying the CHS framework is one way of ensuring that the people DRC serve are always at the

centre of all actions and have a way of holding DRC accountable.

In 2021, DRC entered a full re-certification audit for CHS and was re-certified with improved ratings.

DRC's International Humanitarian Activities

Stay & Deliver

Iraq

In 2021, Iraq continued to be characterised by protracted displacement. Nearly 1.2 million people remain internally displaced, including 179,000 people in camps, mostly in the Kurdistan Region of Iraq (KRI). Rates of return increasingly stagnated as IDPs continued to face varying, complex, and often overlapping challenges to return, resettlement, or local integration. This trend prevailed despite some increased return movement surrounding governmental closure of most IDP camps in 2020-2021, which also resulted in the re-displacement of some households. Many of the nearly 5 million people who have returned to their areas of origin also continued to face challenges linked to their previous displacement, including barriers to accessing livelihoods, destroyed and damaged housing, and security- and social cohesion-related challenges. Meanwhile, several factors have the potential to drive further humanitarian needs in 2022, including: high risk of drought in many areas, as the 2020-2021 rainy season was the driest in the last 40 years; continued barriers to the achievement of durable solutions to displacement; and the continued potential for violence and instability in some areas. All of these factors can also contribute to an increasing level of gender-based violence, which has already been compounded in correlation with the impacts of COVID-19. In order to respond to these challenges, DRC provides life-saving humanitarian assistance in camps and in non-camp settings. This includes improving the protection environment to enable people to live a life of dignity where their rights are respected; providing sustainable and appropriate access to safe water and sanitation for IDPs and returnees; ensuring access to adequate shelter among conflict-affected populations and supporting effective coordination and service delivery in formal sites hosting IDPs.

The pandemic also continued to impact humanitarian operations as a result of public health measures im-



plemented as the country experienced multiple waves of the virus throughout the year. Iraq's vaccination rate remains well below regional and global averages, as public trust in the vaccines remains low amid rampant misinformation. The economic impacts of COVID-19 also lingered, though the economy continues to slowly recover from the double shocks of the pandemic and fluctuating oil prices. Still, many Iraqis continued to struggle to access decent employment – especially women, people with disabilities, and displacement-affected people – and access to many public services was equally challenging. This has contributed to some feelings of disenfranchisement among Iraqis, with voter turnout in the October 2021 elections at a record low of 41%. As the process of post-election government formation continues into the new year, the Iraqi public continues to call for governance reform and increased investment in service provision.

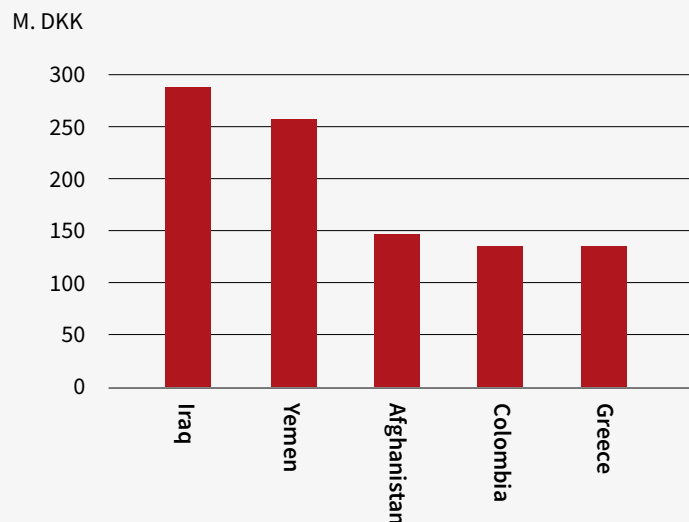


As Iraq continues its recovery following the end of major military operations against the group known as the Islamic State of Iraq and Syria (ISIS), there is increasing recognition that both immediate and longer-term needs must be met – including to achieve durable solutions to displacement, which remain out of reach for IDPs and many returnees. Therefore, DRC supports people of concern who are not able to access

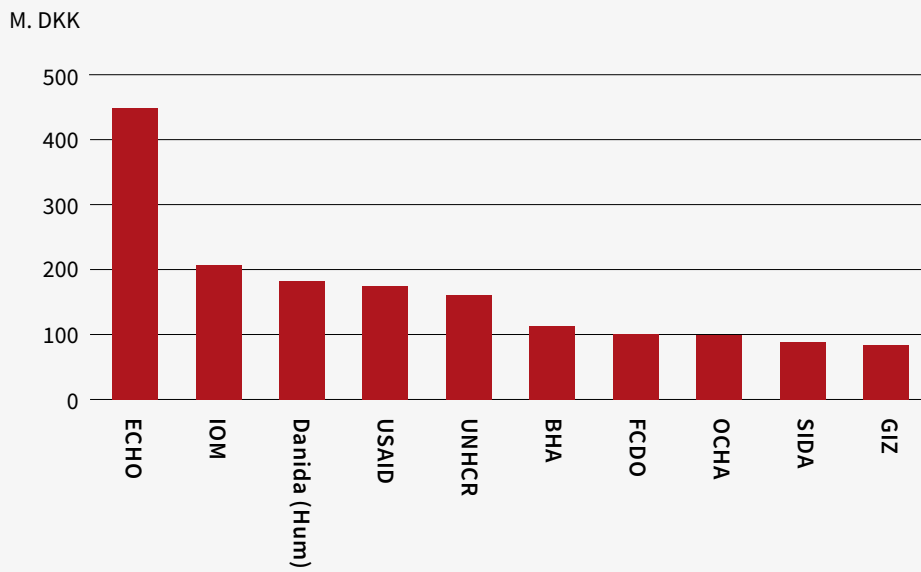
sustainable livelihoods as a result of a lack of skills, experience, and/or capital in order to support the communities in their transition towards sustainable economic recovery. This includes livelihood counselling, skills development, and job referrals and placements, as well as business development grants and coaching.

Recognising this, in 2021 DRC continued to provide assistance across humanitarian and development pillars, and initiated peacebuilding interventions in Diyala Governorate. Over the course of the year, DRC reached vulnerable people through 26 large projects across 8 governorates. Projects included activities aimed at addressing economic recovery, shelter and infrastructure needs, protection risks, camp coordination and camp management (CCCM), as well as mine risk education and explosive ordnance clearance.

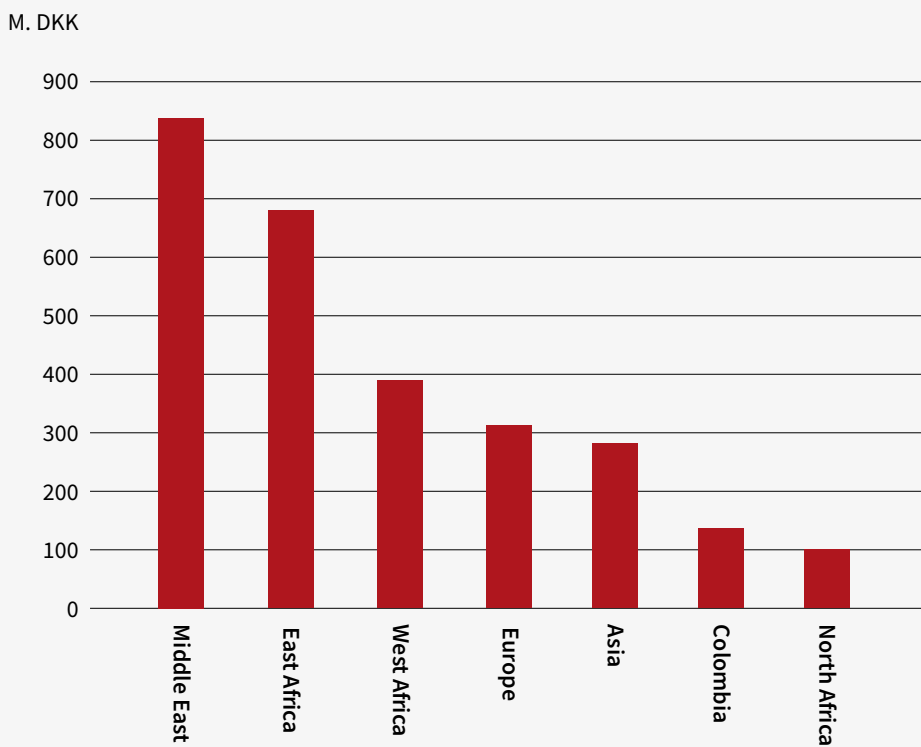
5 Largest Country Operations, 2021



Top 10 Individual Donors in 2021



Turnover by DRC Region in 2021





Ukraine

The recent catastrophic events in Ukraine have precipitated enormous changes in the needs in the country. With impressive support from donors, foundations, and private donations, DRC has mobilized an effective, broad, and timely humanitarian response. DRC aims to assist both internally displaced people and host communities in Ukraine, as well as refugees and host communities in neighbouring countries, across Europe, and in Denmark.

Before February 2022, the seven-year humanitarian crisis in Ukraine had effectively disappeared from global headlines, creating the mistaken impression that the conflict was frozen. Even before the early 2022 escalation of hostilities, the conflict had already caused the internal displacement of more than 730,000 people, and another 1 million people to flee Ukraine entirely. It was estimated that in 2021, 5.2 million people continued to be affected by the conflict, and 3.4 million people required humanitarian assistance and protection – nearly 8% of the total population.

In 2021, the socio-economic impact of the conflict and the COVID-19 pandemic in eastern Ukraine became more pronounced due to the prolonged closure of the so-called contact line, restrictions on movement, and decreasing livelihood opportunities. Civilian

infrastructure frequently came under active fire, and widespread explosive ordnance and mine contamination remained a serious concern; considering the escalating conflict, this concern is only set to grow.

Despite the challenges caused by ongoing conflict and the pandemic, in 2021 DRC successfully obtained certificates of conformity for its mine action operations and extended its humanitarian demining activities, with a total of eight demining teams deployed. DRC has spearheaded efforts to draft a conceptual framework of peacebuilding policy in Ukraine, while producing recommendations to measure integration criteria for policymaking related to IDPs. DRC has also increased the scope of sustainable interventions to strengthen local self-governments in eastern Ukraine and enable them to better deliver socio-economic services. DRC has also worked to help medium-size agricultural businesses develop their activities while benefiting their surrounding communities, to support other community-based initiatives, and to revitalize the assistance available to mine victims.

As of December 2021, DRC had assisted over 150,000 people of concern within its conflict-response projects. DRC will continue to focus on saving lives, ensuring access to basic services, strengthening the protection of those affected by the conflict, and developing durable solutions for them.

Sahel

The Central Sahel region is the border area between Mali, Niger, and Burkina Faso. DRC has developed and administered an integrated response across the three countries since 2017. The region has been marked by cross-border conflict and a complex multisectoral crisis since 2012. Local conflicts, violent extremism, and organised crime create insecurity in the region, and growing numbers of displaced victims are a major strain on local community resources. In 2021, this climate of security degradation, food insecurity, and lack of livelihoods, exacerbated by climate change and poor governance, continued to lead to massive and cumulative displacement. More than 2 million IDPs were registered in 2021 alone. Most are living in host communities, adding to existing vulnerabilities and straining limited resources. Throughout 2021, DRC increased its response in the Sahel region, with a specific focus on addressing the growing needs surrounding humanitarian disarmament and peace, economic recovery, and protection.

In the Sahel, an increasing number of displaced persons have been displaced for more than a year. The protracted nature of the crisis represents a critical challenge and increases the need for a simultaneous response including lifesaving emergency assistance and development programming for displaced populations. Therefore, DRC launched the SHIFT project in January 2021, which supports extremely poor households impacted by conflict and displacement in Mali, Niger, and Burkina Faso to graduate out of poverty, facilitating the transition from short-term humanitarian interventions to long-term inclusive solutions for displaced populations.

In a context of increasing pressure on natural resources, exacerbated by displacement and climate change, DRC also piloted new initiatives to address these challenges. The SAHURI project contributed to improving social cohesion between displaced and host populations and sustainably managing natural resources, in particular land and water, through trainings in regenerative bio-circular green economy techniques.



Finally, the most pressing challenge in the Sahel region remained humanitarian access. The shrinking of humanitarian space has been observed in all three countries due to several factors such as insecurity, national legislation and governments, or the blurring lines between military and legitimate humanitarian actions. In 2021, DRC delivered assistance in some of the most hard-to-reach areas of the region, building on its presence and acceptance in these areas. Together with the UNHCR and other international NGOs, DRC also contributed to the rollout and harmonisation of the P21 in the Sahel region, a monitoring tool used to collect data on the protection situation of displaced populations, in an effort to provide improved, informed, and adapted responses.

Afghanistan

Nearly halfway into 2021, a chain of dramatic events in Afghanistan led to the fall of the government. Fuelled by a major Taliban offensive in early May and the withdrawal of foreign troops over the summer, the Taliban proclaimed the Islamic Emirate of Afghanistan on 15 August. The resulting political, social, and economic shocks reverberated across the country, exacerbating an already dire humanitarian and protection situation with roots in decades of compounding crises.

Following the rapid military and political changes in August, and in the wake of the worst drought in 27 years, the challenge was to adapt DRC programming to the new context to better respond to the surging humanitarian catastrophe and approaching winter. DRC has 700 Afghan employees forming the backbone of the operation, supported by around 10 international staff. This was critical to facilitating the redesign of emergency programmes to focus on life-saving aid in remote, underserved areas, where neither national nor international humanitarian assistance had reached before. This unprecedented access to isolated communities in former warzones offered a unique opportunity to respond to extreme humanitarian needs among vulnerable communities whose resilience and means had long been exhausted.

International sanctions and an impaired Afghan banking infrastructure also triggered a deepening cash



liquidity crisis. This is felt by the people of Afghanistan, but also represents a blockage for humanitarian actors in the country. Extensive risk analysis and mitigation measures eventually enabled DRC emergency teams to provide vital cash assistance to over 35,000 people in November and December alone.

Afghans returning to areas previously inaccessible due to conflict have revealed the heightened risk of explosive ordnance accidents and the urgency of immediate action and lifesaving responses. DRC's Humanitarian Disarmament and Peacebuilding activities resumed weeks after the events of August 2021, prioritising newly accessible areas with high casualty rates and recent contamination. In 2021, DRC teams cleared 33 minefields and battlefields, removing 17,269 items of unexploded ordnance and 278 landmines, providing a sense of safety and improved access to schools, clinics, markets, and farmland for over 30,000 individuals.

The August 15 power shift triggered the systemic enforcement of discriminatory and punitive gender norms identified as an increased protection threat. In 2021, DRC scaled up its protection programming, producing 45% of all protection monitoring data in Afghanistan. DRC processed more than 1,000 cases of grave protection violations, with subsequent support given to address identified needs. DRC also provided safe spaces for 200 girls, and reached nearly 650,000 people through protection monitoring – a key activity to identify protection risks in communities and to inform the wider national response.



Myanmar

In 2021, the already protracted and dire humanitarian crisis in Myanmar drastically changed when the military seized power on 1 February. Conflict continues to escalate nationwide, triggering further displacement, repeated political and socio-economic shocks, a public health crisis compounded by the COVID-19 pandemic, and deepening poverty, manifested not least in rapidly growing food insecurity.

DRC has been able to adapt to the changing environment and respond to urgent needs directly and through tested frameworks for remote management. During 2021, DRC delivered humanitarian assistance to more than 256,000 people affected by conflict and displacement in Rakhine, Kachin, and northern Shan states.

Decades of conflict compounded by the new instability and evolving crisis have massively exacerbated humanitarian needs, with 14.4 million people now in need of humanitarian assistance. The country suffers widespread economic paralysis due to ongoing violence, lack of trade, international investors pulling out, devaluation of the Myanmar Kyat currency, and severe limitations on banking systems. These economic conditions continue to have significant implications

for the food security and income of crisis-affected households, who were already facing movement restrictions, including those imposed due to the COVID-19 pandemic. Repeated lockdowns, imposed with every new COVID-19 wave in 2021, hit the hardest amongst poor, isolated, and vulnerable households, whose resilience was already limited, causing many to turn to negative coping mechanisms.

The political developments and renewed instability have substantially harmed the human rights and protection landscape in Myanmar. The situation has worsened over time with the imposition of a state of emergency, repressive cyber security laws, internet blockages, and increased violence. Humanitarian access to communities became increasingly difficult due to restricted movement of staff into and around the country, surges in insecurity and violence, as well as bureaucratic impediments to INGOs' continued registration.

Today, the humanitarian crisis in Myanmar includes a plethora of new protection risks, human rights violations, intercommunal tensions, ethnic discrimination, and displacement. This widespread crisis is compounded by the effects of climate change, recurring natural hazards, restrictions on freedom of movement, and not least, risks from the ongoing presence of large amounts of unexploded ordnances.

In 2021, DRC focused on responding to the immediate needs of IDPs and the communities hosting them, as well as building their resilience to shocks and stresses in the longer term. DRC continued to provide multi-sectoral assistance, including protection monitoring and service provision, humanitarian mine action assessments and explosive ordnance risk education, economic recovery assistance, emergency shelter and sanitation support, camp management and coordination, as well as emergency preparedness and response programming.

Ethiopia

Conflicts, recurrent drought, flooding, and the recent desert locust infestation are all current drivers of humanitarian needs in Ethiopia, compounded by rapidly increasing rates of food insecurity. Nearly all regions in the country are experiencing some form of conflict, intercommunal tension, or violence, with hotspots in Benishangul-Gumuz, northern Ethiopia, and Oromia. There were over 4.2 million IDPs across the country as of December 2021 – twice the figure recorded at the end of 2020, and many have faced multiple displacements.

DRC sustained its operations in 2021, despite an increasingly complex context combining conflict in nearly all regions, the COVID-19 pandemic, access constraints, and a restricted humanitarian space aggravated by the State of Emergency declared in October 2021.

DRC had a presence in the north before the breakout of the Tigray crisis in November 2020 and was able to conduct assessments and contribute to the emergency response. DRC scaled up the multi-sectoral emergency response combining emergency protection, water and sanitation (WASH), and shelter services for vulnerable internally displaced populations. DRC offered individual protection assistance and protection messaging as well. The WASH response included water trucking, complemented with daily sanitation facility management, hygiene education, COVID-19 safety precautions, and an environmental sanitation campaign. DRC also

distributed tailored emergency shelter and non-food item kits. In addition, DRC continued to provide ongoing support to Eritrean refugees in two camps in Mai Tsebri as and when access was possible. By the end of 2021, DRC's response to the Tigray crisis had reached over 175,000 IDPs, refugees, host community members, and Eritrean refugees.

This was still far below the high levels of need in this part of the country. The road network became unusable to transport goods due to militia raids and convoys being forbidden to pass through checkpoints. Without power, the banking system collapsed, which also limited the amount and frequency of transfers, depending on flights and government approval of cash. With limited cash and fuel, tough decisions have to be made, prioritising the operations that can be managed in the safest way for both staff and persons of concern.

DRC also responds to other emergencies in the country, supporting South Sudanese, Eritrean, and Somali refugees. Between August and October 2021, as COVID-19 became less of a threat, 40,000 returnees from the Kingdom of Saudi Arabia were sent back to Ethiopia – the majority were returning migrant workers who had been held in extremely poor conditions prior to their return. Many were unable to leave the capital, Addis Ababa, due to restricted access and a lack of appropriate identification. DRC worked closely with government agencies and other partners to find the best short-term solutions for these people.



Italy

Each month in 2021, Italy received between 5,000 and 10,000 new arrivals of refugees, migrants, and asylum seekers from the Central Mediterranean and Western Balkan routes, with numbers varying according to the season. DRC is active with a network of local partners providing humanitarian assistance such as food, clothes, and shelter, coupled with legal aid and social services at the northern borders with France and Slovenia. Through its set-up and localisation approach, DRC and partners manage to assist around 5,000 people every month.



Venezuela

More than 6 million refugees and migrants from Venezuela have left their country of origin, with more than 5 million being hosted across Latin America and the Caribbean. 7 million people in Venezuela need humanitarian assistance and 6.8 million need food aid. The COVID-19 pandemic has deepened pre-existing inequalities and community vulnerabilities. To address these needs, DRC has been operating through local

partnerships since 2019, providing protection such as monitoring, legal services, and food security interventions in Caracas and Zulia State. Following the finalisation of its registration in 2020, DRC established an office in Caracas to prepare for a scaling-up of its protection activities, including support to coordination mechanisms, food security, and infrastructure rehabilitation. Since 2020, DRC has supported 12,886 people in need in Venezuela.



DRC's Advocacy



Photo: DRC / Jan Garup

Global responsibility sharing and solidarity with refugees and host countries

For years, the Danish Refugee Council has witnessed the deterioration of the international protection regime, as countries turn their focus towards keeping out asylum seekers, refugees, and displaced persons instead of ensuring that they receive the protection they are entitled to. All of this as developing countries continue to shoulder the bulk of the responsibility by hosting 86% of the world's refugees.

As a rights-based organisation, working towards ensuring protection and solutions for displaced persons around the world, DRC continues to advocate for the protection of the right to seek asylum and better global responsibility sharing.

In 2021, DRC consistently addressed displacement trends through both public and private advocacy, engaging with key stakeholders at country, regional, and global levels. This engagement takes many forms, including participating in humanitarian and political conferences, meeting with senior officials, writing

humanitarian briefings, op-eds, and policy papers, and leading panels and roundtable discussions. DRC takes all opportunities to advocate for meeting humanitarian needs on the ground, changing the policy environment to improve the situation for the displaced, and encouraging global responsibility sharing and a continued focus on the root causes of conflict, rights violations, and displacement.

Over the course of the year, DRC worked collaboratively in the run up to the High-Level Officials Meeting on the Global Compact on Refugees, while playing an active role engaging with the High-Level Panel on Internal Displacement. In advance of the former, DRC, International Rescue Committee, and Norwegian Refugee Council produced a joint report taking stock of progress and identifying gaps in implementing the pledges made at the first Global Refugee Forum, which took place in December 2019.

The well-attended report launch provided an opportunity to engage with donors, member states, and others in the international community to highlight key areas where responsibility sharing can be strengthened, and allowed for further opportunity to discuss practical engagements based on the report's recommendations. DRC continues to use the report's findings to support its calls for donor governments to take immediate steps to ensure responsibility sharing towards refugees that reaches beyond foreign policy and international financing.

In addition, DRC produced:

- 1) A short paper summarising the findings of nine regional youth consultations, including DRC's ideas for solutions and recommendations for meaningful participation in achieving the goals of the Global Compact on Refugees. The launch event allowed space for youth voices to directly engage with decision-makers.
- 2) The Self-Reliance Evidence Review: A project undertaken by DRC and RefugePoint outlining core

questions to be answered to create an evidence base for what works best to help refugees achieve self-reliance.

For the High-Level Panel on Internal displacement, DRC engaged with the panel, ICVA, and other NGOs to ensure rights-based protection, including duty bearer accountability to displaced populations, was prioritised, as well as ensuring affected populations are centred in decision-making. DRC's engagement was well reflected in the panel's report, and DRC continues to engage in the implementation of recommendations from it.

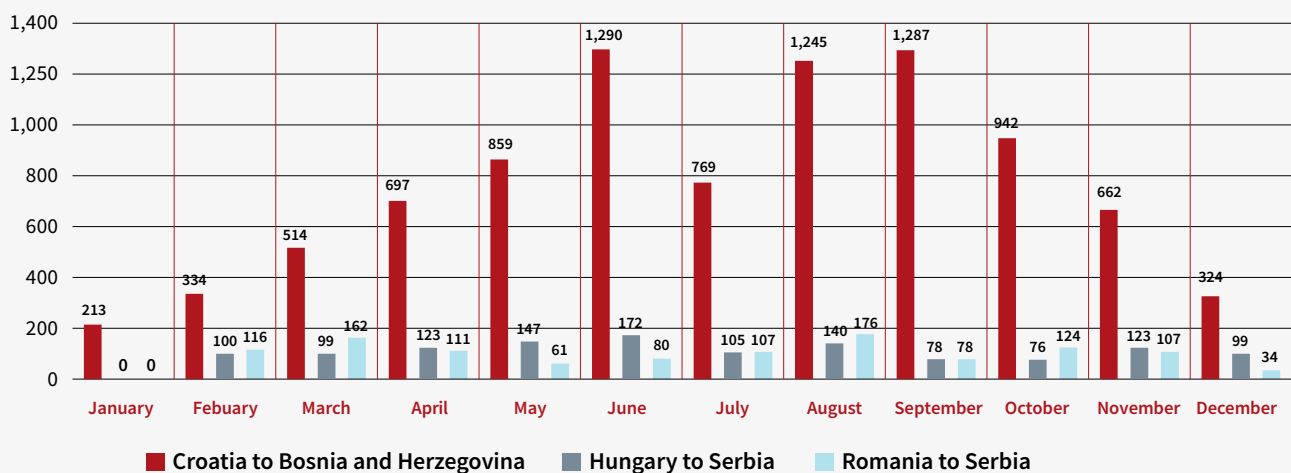
Pushbacks are violations of international law and of people's rights

In 2021, DRC partnered with six other European civil society organisations to form the Protecting Rights at Borders (PRAB) initiative, focusing on human rights violations at the EU's external and internal borders – particularly surrounding the illegal practice of pushbacks.

From January to November 2021, DRC and PRAB partners across Europe documented close to 12,000 incidents of men, women, and children pushed back by border police, law enforcement officials, or other authorities from EU Member States. The pushback methods often include physical and sexual violence, harassment, extortion, destruction of property, theft, forced separation of families, and denial of the right to apply for asylum.

To inform political decision-making and show the human consequences and costs associated with illegal pushbacks being employed as a systematic deterrence measure and de facto tool for border management along the Central Mediterranean and Western Balkan routes, the collected testimonies, facts, and figures shed light on these illegal practices via external media appearances, written opinion pieces, social media campaigns, and hearings with politicians and other decision-makers, including the EU ombudsman and EU parliamentarians, among others. The European Commissioner for Home Affairs, Mrs. Ylva Johansson, called for better border monitoring in response to PRAB stories on pushbacks.

2021 Pushback Trends in Countries with Most Recorded Incidents



Afghanistan

Afghanistan is a concrete example of the ongoing lack of global solidarity. At a time when humanitarian needs in the country are skyrocketing, and a staggering 20-plus million people are in need of humanitarian assistance, relief from the international community has been in short supply.

Even though several countries evacuated Afghans during the 2021 Taliban takeover, these countries also quickly shut the door to further resettlement, attempting to keep Afghan refugees in the region. At the same time, neighbouring countries such as Pakistan and Iran, who for decades have hosted millions of Afghan refugees, were asked to keep their borders open.

Thanks to Europe's closed-door policy towards Afghans who were not able to join the initial evacuations, Afghan asylum seekers are now often welcomed to Europe with beatings and rights violations. DRC and PRAB partners have recorded numerous examples of violent pushbacks perpetrated against Afghan asylum seekers along the EU's borders. Nearly three years after world leaders signed the Global Compact on Refugees, Afghanistan is unfortunately a clear example of the international community's collective failure to work together to ease pressure on host countries and ensure more equal responsibility sharing for growing numbers of refugees. On the contrary, neighbouring countries are expected to host those seeking protection, while the EU remains largely preoccupied with securing its own borders.

Global Displacement Forecast

DRC, in collaboration with IBM, and with support from the Danish Ministry of Foreign Affairs, developed Foresight, a predictive modelling tool for displacement scenarios, designed to equip humanitarian actors with robust data that can be used in strategic planning for better prevention of, and response to, displacement, and stronger protection for displacement-affected populations.

DRC's first Global Displacement Forecast report, launched in 2021, showed the ways that displacement disproportionately affects some of the world's poorest and most conflict-affected countries who host the

majority of the world's refugees, and how future displacement crises are likely to have their origins in what already today have been labelled as 'forgotten' conflicts.

Considering the current inadequacy of humanitarian funding in numerous countries facing displacement crises, the report underlines the difficulties in meeting the global need for protection for displaced persons, while outlining where urgent support to resolve conflicts and drivers of conflict could reduce the risk of new conflicts emerging. In countries like Yemen, the report has been used to provide a humanitarian needs overview so that aid can be effectively directed and used for those most in need.

Yemen:

As the NGO with one of the largest footprints in Yemen, DRC led inter-agency advocacy in Yemen, Geneva, and Brussels to ensure that the US designation of Ansar Allah – the de-facto authorities in the north of Yemen – as a foreign terrorist organisation did not further deprive ordinary people of access to their basic rights and needs. DRC's Secretary General, Country Director, and Advocacy team spoke as the INGO representative at several high-profile events, including the Senior Officials Meeting (SOM) on Yemen, the G12+ Pre-meeting for the Yemen Pledging conference, and at the Yemen Pledging conference. DRC's briefings for policy makers

in Geneva and Brussels consistently emphasised the need for quality humanitarian space and consistent humanitarian engagement with all parties to the conflict. The DRC Country Director for Yemen was invited, along with MSF and ICRC, by the US Ambassador to the UN, Linda Thomas Greenfield, on her first day in office, to share DRC's key concerns on coordination and engagement in the country. Through these engagements, DRC has ensured joint international humanitarian positioning in line with human rights norms for female Yemeni aid workers, and increased high level engagement with parties to the conflict to ensure access for, and to, communities we serve.



Photo: Jan Grarup



DRC's Work in Denmark

DRC Integration

DRC has carried out integration programmes and acted as a subject expert and an advocate for refugees and displaced persons in Denmark since 1956.

The field of integration in Denmark has, however, undergone changes during the past couple of years. Since late 2020, DRC has therefore focused on integration-related activities and support targeting both the few refugees who continue to come to Denmark and the refugees and beneficiaries of family reunification who have lived in Denmark for a long period and who continue to need integration assistance. In 2021, DRC offered Denmark's most comprehensive expert catalogue in the field of integration through these four fields of work: Children & Family, Employment, Volunteer, and Knowledge & Development.

In 2021, DRC worked at full speed with partnerships and tasks. DRC also succeeded in establishing multiple initiatives based on cross-sector collaboration between one or more fields of work within DRC.

The COVID-19 pandemic led to limited activity in most areas in 2021, but digital solutions have been applied to a large extent, and it has been possible to maintain in-person contact with particularly vulnerable refugees and families.

However, 2021 was also the year when DRC had to discontinue its longstanding commitment to language classes and interpreting services.

Discontinuation of Lærdansk (Danish language tuition for foreigners) and Tolkeservice (interpreting services)

Lærdansk and Tolkeservice were discontinued as the last contracts covering the two areas expired on 31 December 2021. Both departments strived until the last day to provide the quality services stipulated in

the contracts, and succeeded in retaining most of the employees until the end of the contract.

DRC is sad to let our many competent and committed employees go. They have all made a huge effort for the integration of refugees and immigrants in Denmark. DRC looks back with pride at the many thousands of people who have learned Danish at Lærdansk language schools and who have received professional interpreting assistance with Tolkeservice.

Employment

More than 600 people from 20 different municipalities participated in mentoring or team programmes through DRC's employment initiatives in 2021. The majority of the employment activities were carried out in the Central Denmark Region and the Region of Southern Denmark, however the number of mentoring plans has also been rising on Zealand.

In the autumn, DRC embarked on a programme for refugee women who have suffered trauma. Helping these women gain a foothold in the labour market requires special support and attention. Most recently, the Municipality of Aarhus requested the assistance of DRC in organising and implementing specific employment teams for women who have not been active in the labour market for many years.

As a consequence of COVID-19, only digital educational options were available for long periods of time. Alternatively, citizens enrolled in mentoring plans were contacted by phone or met up with their mentors for either walk-and-talk sessions or meetings in their own homes with all the necessary precautions taken. Particularly vulnerable citizens were exempted from the ban on in-person meetings in connection with mentoring plans.



Children & Families

In 2021, the Children & Families section worked on 80 different cases in 11 different municipalities.

In early 2021, Children & Families was still working through the transition from being a nationwide service provider to becoming a section focused on the large municipalities with which DRC has supplier contracts. However, over the course of the year, DRC secured a nearly 40% increase in monthly case numbers, bringing these numbers back to levels last seen before the reorganisation of the Children and Families section in 2020. Among other things, this reflects the fact that our services for children and families are now an integral part of the offerings provided by the City of Copenhagen.

During COVID-19, the activities basically remained unchanged. As the initiatives are often complex and require many hours of work for each task, in-person family visits were maintained to the extent possible. In cases of isolation or illness in families, the support was carried out online or outdoors.

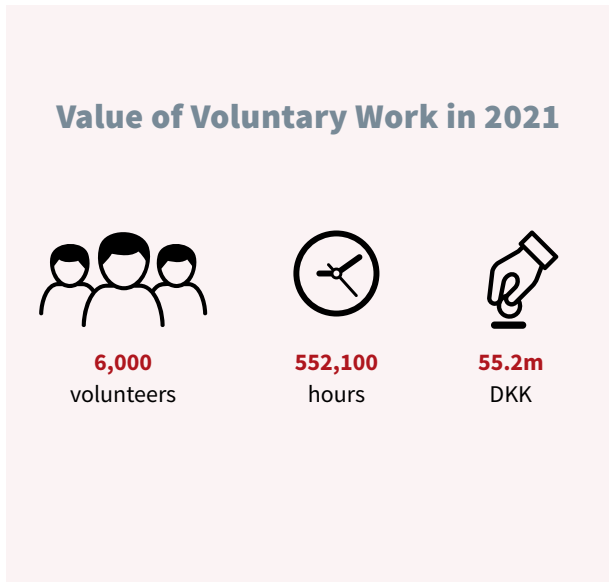
DRC Volunteer

In 2021, 17,337 people took up one or more of DRC's volunteer offers. This is 2,394 fewer than in 2020.

The reduction is probably caused by the COVID-19 pandemic, as public health measures have frequently restricted the size and overall possibility of holding volunteer activities requiring physical attendance. In 2019, the number was 26,550, in 2018 it was 28,781, and in 2017 it was 27,602. Other causes for the decline in participants could be that refugees are increasingly finding employment and therefore have less time to seek out volunteer activities, and are therefore also less in need of support for other activities such as job seeking.

As of February 2022, there were 5,951 volunteers at DRC, compared to 6,910 at the beginning of 2021. This reflects a less intensive recruitment effort due to COVID-19, and the fact that some volunteers have opted to discontinue their work due to the risk of infection. Other possible explanations include that the public focus on refugees has declined as fewer refugees were coming to Denmark in 2021, and that it is generally difficult for NGOs in the social sector to recruit and retain volunteers.

The value of the voluntary work is significant to DRC, amounting to DKK 55.2 million. This corresponds to 6,000 volunteers working two hours per week for 46 weeks per year.

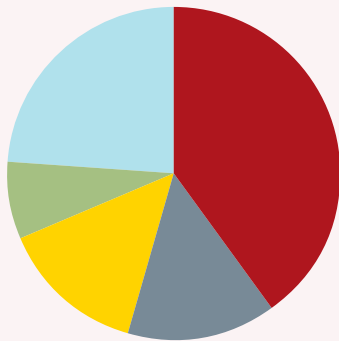


Volunteer Activity Users in 2021

- Homework support and language training, including online training: **7,957**
- Counselling on everyday problems: **2,866**
- Network families: **2,779**
- Legal counselling: **1,500**
- Other activities: **4,679**

Number of volunteers in 2021: **5,951**

Number of voluntary activity users in 2021: **17,337**



Volunteer has also focused on the further development of local activities, including administrative support/counselling groups, online homework and language assistance, play and learning clubs, bridge-building for leisure activities, matching volunteers with traumatised refugees, local mothers' groups, and food clubs. During the past two years of the COVID-19 pandemic, Volunteer has focused on supporting refugees and their families with voluntary integration initiatives, and on steering the network through the opening and closing of society over multiple lockdowns. Despite the lockdowns, many of our volunteers have maintained contact with refugees who have needed counselling on everyday challenges or administrative support in connection with their meetings with the authorities. This has been carried out either online or through meetings in local parks or other outdoor places.

After two years with COVID-19, DRC's national voluntary integration initiative and our many volunteers are still ready to assist refugees and their families, regardless of the length of their stay in Denmark.

Knowledge & Development

In 2021, Knowledge & Development also maintained most of its training activities through a combination of in-person events and webinars. Despite a downturn in activities due to the COVID-19 pandemic, about 2,500 people participated in more than 100 events targeted at practitioners, including courses in Estonia, Finland, and the Faroe Islands. DRC has held municipal network meetings for 65 municipalities online. One of the highlights was holding a major international conference focusing on vulnerable refugee families, trauma, and healing in December 2021.

Knowledge & Development has helped the Danish Health Authority provide information on all aspects of COVID-19 through a hotline in 12 different languages. The security provided by being able to ask questions and obtain knowledge in one's own native language is crucial to making educated decisions on matters such as getting a vaccine. In the period up to the closure of the hotline on 1 October 2021, it received about 150 inquiries per week. The hotline reopened in a reduced version on 1 December 2021, offering information in the six most used languages.

Through the Knowledge Centre for Vulnerable Refugees, which forms part of Knowledge & Development, DRC has assisted a number of local authorities with knowledge and input regarding the reception and integration of Congolese refugees coming to Denmark via the UNHCR resettlement programme (quota refugees) and evacuated Afghans. DRC has also contributed to the establishment of a major research project on the quota refugees that Denmark is receiving from DR Congo.

Knowledge & Development has also developed a newsletter covering all areas of DRC Integration that is targeted at professionals working with integration at local authorities and other relevant organisations. The newsletter is published once per week and has about 2,400 subscribers.

The Knowledge Centre for Vulnerable Refugees produced a number of publications in 2021:

- The significance of the Convention on the Rights of Persons with Disabilities for refugees with trauma
- DRC Integration's position on initiatives for refugees with trauma
- Knowledge note on quota refugees from DR Congo
- Challenges for refugees and immigrants after long-term stay in Denmark
- A guide to legal provisions (legislation handbook)
- Information on the extension and revocation of residence permits. Translated into several languages in cooperation with DRC Asylum.



Asylum Work in Denmark

DRC offers free, independent, and high-quality legal counselling to all asylum seekers in all stages of the asylum procedure in Denmark. From early information on what to expect and be aware of in the asylum procedure, to individual counselling during the procedure and after a final decision on asylum.

Individual counselling is also available to persons at risk of having their residence permit in Denmark revoked. It is particularly Syrian refugees that have faced this risk in 2021. In the fall of 2021, DRC also provided legal counselling to a large group of Afghans who had been evacuated to Denmark.

The purpose of DRC's counselling is to contribute to accurately informed decisions on asylum, and to assist asylum seekers in understanding asylum procedures, decisions made by Danish authorities, and the implications thereof. In 2021, DRC undertook a thorough legal assessment of 247 cases, and found reason to represent the asylum seeker in some form of legal action in 73 cases.

In 2021, the number of asylum seekers in Denmark increased to 2,095 from 1,515 in 2020. Similarly, the number of asylum seekers under the Dublin procedure represented by DRC increased from 123 in 2020 to 156 in 2021.

Since 2014, DRC has provided legal representation to asylum seekers in the Danish Dublin procedure with the objective of supporting asylum seekers' legal right to due process. In the Dublin procedure, it is decided in which European country an asylum application will be processed. Due to the complexity of the cases in 2021, many were referred to a full board hearing at the Refugee Appeals Board. In 2020, the European Commission proposed a new Regulation on Asylum and Migration Management to replace the current Dublin III Regulation. Based on DRC's experiences with the Danish Dublin procedure, DRC published key recommendations – and concerns – regarding the new proposal in August 2021 and engaged with various EU stakeholders regarding the same.

In 2021, DRC processed 134 cases through a procedure for asylum applications considered 'manifestly unfounded'. This was similar to 2020, but represents a significant decrease compared to previous years. Most asylum seekers in 2021 came from Syria, Eritrea, Iran, Iraq, and Afghanistan, which are nationalities generally not processed in the 'manifestly unfounded' procedure. Georgians and Moroccans represented some of the most common nationalities referred to this procedure in 2021, but almost 40 different nationalities were represented overall. When the Danish Immigration Service considers an application to be 'manifestly unfounded', the asylum seeker is prevented from appealing to the Refugee Appeals Board. In such cases, DRC has an interview with the asylum seeker and has the option of vetoing the 'manifestly unfounded' designation. In case of a DRC veto, the case will then be processed according to the normal procedure, which includes the right of appeal to the Refugee Appeals Board.

In addition to legal counselling, DRC prepared three desk studies on Syria, Croatia, and Lebanon. Due to the COVID-19 pandemic, there were no reports based on fact-finding missions in 2021. Country of origin information is needed to assess the risk of persecution or other serious harm, which is crucial in asylum cases.

DRC provides impartial and non-directive return counselling to rejected asylum seekers with the purpose of empowering them to make an informed decision about their future. In 2021, DRC initiated 471 new counselling sessions with rejected asylum seekers. The three biggest groups seeking return counselling were Iranians, Iraqis, and Syrians. During the same period, DRC supported 55 people seeking reintegration support through a local reintegration partner and assisted 27 vulnerable people who were not eligible for reintegration support with small acquisitions to improve their possibilities for a dignified and sustainable return. The three biggest groups applying for support through DRC were from Iraq, Nicaragua, and Colombia. In 2021, DRC assisted 25 victims of trafficking with reintegration assistance, with the majority coming from Thailand and Romania. DRC published an evidence-based methodology brief

on return counselling in August 2021, sharing hands-on best practices and important insights into the complexities of performing return counselling.

Resettlement

DRC cooperates with the Danish authorities in interviewing refugees for possible resettlement to Denmark. Several resettlement interviews (all virtual) regarding the 2020 quota were delayed and thus carried out in the beginning of 2021. The resettlement mission to Rwanda regarding the 2021 quota was also delayed and will take place in May 2022.

Repatriation

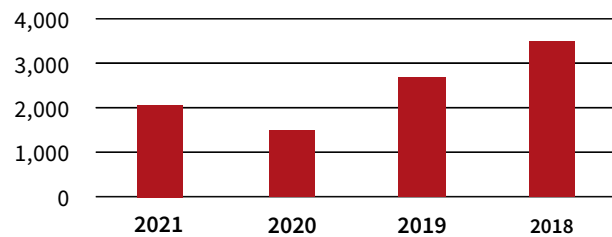
Pandemic-related travel restrictions continued to influence the number of people who voluntarily returned from Denmark to their home countries or countries of former residence in 2021.

In 2021, 426 refugees and immigrants received economic support according to the Danish Act on Repatriation. 161 of them were Syrians who returned either to Syria or to other countries covered by the repatriation act. There have been serious and increasing challenges related to bank transactions for economic support to persons who repatriated to Iran and Syria due to international sanctions. DRC is continuously advocating to find solutions to these challenges by raising awareness with the Ministry of Immigration and Integration and other stakeholders involved in repatriation work in Denmark.

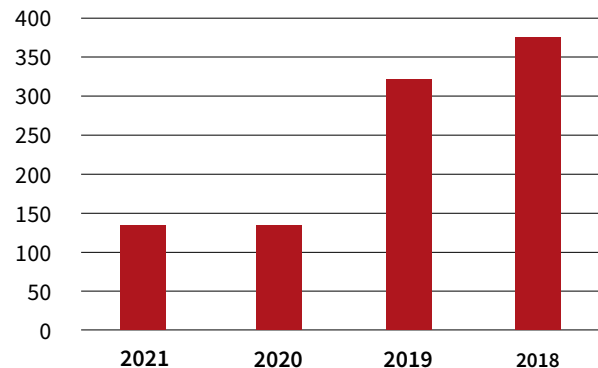
As a result of the latest changes to the repatriation law, it is now possible to receive repatriation benefits for repatriation to a country where one has close family ties, if one can secure a long-term residence permit in that country. This change has led to an increase in inquiries, especially from Syrians who wish to travel to countries neighboring Syria where they may have family among the many Syrians already residing there.

DRC initiated 728 new cases and undertook more than 2,300 counselling sessions in 2021.

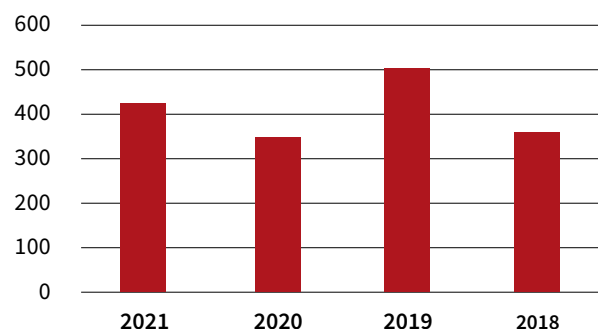
Number of Asylum Applications to Denmark, 2018-2021



Number of Cases Under the 'Manifestly Unfounded' Procedure, 2018-2021



Number of Repatriated Persons, 2018-2021





Private Fundraising and Partnerships

In DRC's fight for our strategic goal to increase protection and enhance inclusion for the many displaced people in the world, funding from various sources, including more long-term funding, is becoming pivotal to supporting sustainable humanitarian action and development. Revenue from private fundraising increased from 2020 to 2021. This was primarily due to increased campaign activities and the development of new concepts and products for potential and existing private donors. DRC received DKK 76 million from private foundations in 2021.

DRC's national door-to-door collection contributed DKK 11.1 million in 2021, compared to DKK 4.5 million in 2020. The drop in 2020 can be attributed to the use of digital rather than physical door-to-door collection due to COVID-19 restrictions. Many of the digital initiatives from 2020 were continued in this year's campaign.

Investing in Private Fundraising

DRC initiated a more focused fundraising programme to generate more flexible donations. The programme has proven to be a success, generating close to DKK 90 million in 2021. The programme has established a database of more than 220,000 engaged individuals, of whom 58,000 donate regularly.

Private Foundations

Private foundations are increasingly keen to advocate for displaced persons and solve the complex and protracted challenges they face. DRC's multi-stakeholder partnerships are important in this regard.

Thanks to the valued partnership with **Ole Kirk's Foundation's** Global Emergency Relief Pool, in 2021

DRC was able to make a difference for more than 80,000 people in acute crisis in Afghanistan, Ethiopia, Sudan, and Bangladesh.

In Afghanistan, the funds from the Global Emergency Relief Pool helped ensure that DRC was able to supply emergency lifesaving aid to children and families who were displaced during the Taliban takeover. The funds helped strengthen DRC's representation in the country.

DRC's partnership with the **Novo Nordisk Foundation** continues to empower vulnerable youth and expand the opportunities available to them. In 2021, this included strong results from RYSE, DRC's youth project in Jordan, which will continue in 2022. And thanks to another donation from the Novo Nordisk Foundation, DRC will be able to use this experience to tackle the multifaceted problems facing vulnerable Syrian refugee and host community youth in Lebanon.

Thanks to the unrestricted program support from the **Oak Foundation**, DRC has been able to establish a project in DR Congo that aims to improve programming and policy quality to support and coordinate durable solutions efforts for displacement-affected communities through strategic thinking shared among NGOs and donors. The four-year project, which was launched in October 2018, supports mainly soft actions such as advocacy and humanitarian diplomacy to promote the protection of civilians in DR Congo.

DRC has also received funding from the **Open Society Foundation** for the project 'Refugee Rights Under Pressure in Denmark'. This project aims to support advocacy against the restriction of refugee protection in Denmark.

Financial Management Review

Overall income levels in 2021 were slightly lower than in the previous year, but still better than had been budgeted for the year. The 2021 income of DKK 3.1 billion was 3% lower than that of 2020. The 2021 result was a DKK 25 million profit which is a DKK 30 million improvement compared to the 2020 result.

The reduction in total income was evenly distributed between a reduction of income related to integration activities in Denmark (DKK 58 million or 37%) and a decrease in restricted domestic and international funds (DKK 52 million or 2%). The decrease from integration activities was mainly due to decreased activity at DRC's Danish language schools and was expected following the decision to end this activity. Income of free funds from fundraising activities in Denmark showed an increase of 15%.

International operations achieved a positive result of DKK 15 million before investments in 2021, which is DKK 15 million lower than in 2020. The international operations were challenged by more operational losses in African programs in 2021 compared to 2020, which accounts for the lower result.

DRC's Executive Committee made the difficult decision to phase out loss-making Danish operations in the middle of 2020. This decision has now been executed fully, resulting in the closure of Lærdansk (language schools) and Tolkeservice (interpreter services). The closure of these operations led to a DKK 45 million decrease in income and is expected to reduce DRC's income by a further DKK 74 million in 2022 compared to 2021 figures. However, as these operations have not been profitable in recent years, the overall financial

impact will be positive. The result of the Integration activities was an overall loss of DKK 15 million, representing an improvement on the 2020 loss of DKK 19 million. The two closed operations produced almost all of this loss. Ongoing integration activities in Denmark, which continue with renewed focus, are expected to break even and show growth due to expected additional tasks related to the Ukrainian refugees coming to Denmark in 2022.

The use of DRC's ERP system, DRC Dynamics, continued to be improved and broadened in 2021. As in 2020, training and support programmes had to be adapted to an e-learning platform due to travel restrictions, slowing down expected improvements in system use. This focus will continue with additional activities in 2022.

Currency volatility across the world, which creates considerable financial risk for DRC, continued in 2021. The major currencies in which DRC receives the bulk of its funding remained strong in 2021 against the local currencies in the countries where most of DRC's international operations take place, resulting in a positive impact on DRC's result of DKK 20 million from exchange rate gains.

Since the balance sheet date, the escalation of the conflict in Ukraine has resulted in an increased flow of donations related to this geographic area. At the same time, there is, however, a risk that donors are reducing funds in other geographic areas to fund this, and it is currently difficult to say what impact the conflict in Ukraine will have on the overall income levels and the expected result of DRC in 2022.



Photo: Philipp Walter-Wellman



Employee Focus

In order to increase the sustainability of DRC's programming, support local actors' empowerment and ownership, and promote the participation and inclusion of those affected by displacement, DRC is committed to developing a more diverse and inclusive workforce, which better represents and involves persons of concern. DRC aspires to have an organisational culture where employees can bring their whole selves to work and are respected and appreciated as valuable team members. In 2021, the global Diversity & Inclusion Committee, consisting of 20 employees from 11 country operations and chaired by the Secretary General, presented their main recommendations to the Executive Management Team. The DRC Strategy 2025 now includes a dedicated organisational principle relating to inclusion and diversity, defines clear targets related to gender and local representation among management groups, and sets ambitious goals for organisational diversity and the fight against discrimination.



These objectives are supported by a number of initiatives covering the full strategy period in the DRC Strategy 2025, several of which were initiated in 2021. Most notable has been the implementation of DRC Voices, a global employee engagement tool, which employees receive 3 times per year.

During 2021, over 2,500 employees in selected countries provided their feedback (including 44,000 comments) on engagement and wellbeing, as well as

diversity and inclusion – hitting a participation rate of over 70%. The results serve to continuously inform global initiatives – as well as managers' day-to-day decisions – helping us to strengthen diversity and inclusion across DRC's operations.

COVID and the Future Workspace: Balance Between Individual Flexibility and Collaborative Culture

During the COVID-19 pandemic, it has been a priority for DRC to stay and deliver. At the same time, there has been a need for greater flexibility around working remotely, either because of lockdowns and partial lockdowns, or entry restrictions in the countries in which DRC works. This forced remote working – from in-country or abroad – has been a unique opportunity to test remote working. This has in general worked quite well, thanks to the guidance of global and local Crisis Management Teams (CMT) and the flexibility and responsibility of employees and managers. Working remotely has also been challenging, both for individuals and for our organisational culture, especially when onboarding new employees and dealing with changes in the organisation. DRC has taken this opportunity to allow for more remote working flexibility – both domestic and cross-border – but this must also be carefully balanced against needs for individual flexibility and the consequences for the collaborative and communal culture in the organisation. Country offices like Denmark have implemented work-from-home policies within the country, where it is possible to work some days per week from home with managerial approval. DRC has also developed new duty station policies and guidelines using more contractual modalities to create more flexibility and clarity in cross-border remote working. These initiatives will, together with others, develop into a project on 'DRC Future Workspace' to ensure optimal working conditions for both employees and the organisation, and make DRC a more attractive workplace as a whole.

Workforce at DRC

The total number of DRC employees in 2021 was 7,532. Of these, 6,452 were national employees in country operations, 521 were expatriate staff, and 559 were employed in Denmark, either at HQ or local Danish operations. The total number of full-time equivalents in Denmark was 486. DRC has also deployed around 86 stand-by and resettlement roster staff. There are about 37 mentors attached to DRC operations in Denmark. DRC employs people representing 108 nationalities.

In 2021, DRC advertised 2,400 vacancies, which in total received 200,000 applications.

Overall employment turnover was 38.3%.

East Africa and Great Lakes remains the largest region in terms of headcount, closely followed by the Middle East.



Employee Development

The increased focus on the learning and development of our employees continued in 2021, with a record-breaking 10,500 enrolments in the in-house eLearning courses, with the multi-lingual courses on the Code of Conduct being the most popular across all our operations.

In addition to the new employee engagement surveys, DRC Voices, DRC systematically asks departing employees about their experience with DRC, helping DRC to continuously improve as an employer. Over 1,000 employees completed an exit survey in 2021, continuing a 5-year trend of improved satisfaction across all areas. 94% of staff indicated that they were satisfied with DRC as an employer, and only 3% said that they would not recommend others to work for us.

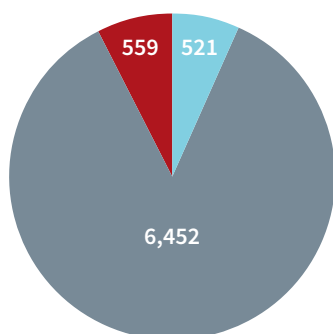
Well-being

The well-being of DRC's employees remained a focus for 2021 as well. As reported in 2020, DRC has partnered with KonTerra Group to offer resilience programming to our staff. The service is now also available to locally employed colleagues and their families within 18 country operations. DRC continues to work to enrol more countries and make this service available to more colleagues. The overall yearly utilization for expatriates is approximately 26.2% and 7.2% for locally employed colleagues.

Total Employees, 2021

- International operations, expatriate employees
- International operations, local employees
- Employees in Denmark*

*The FTE in Denmark is 486

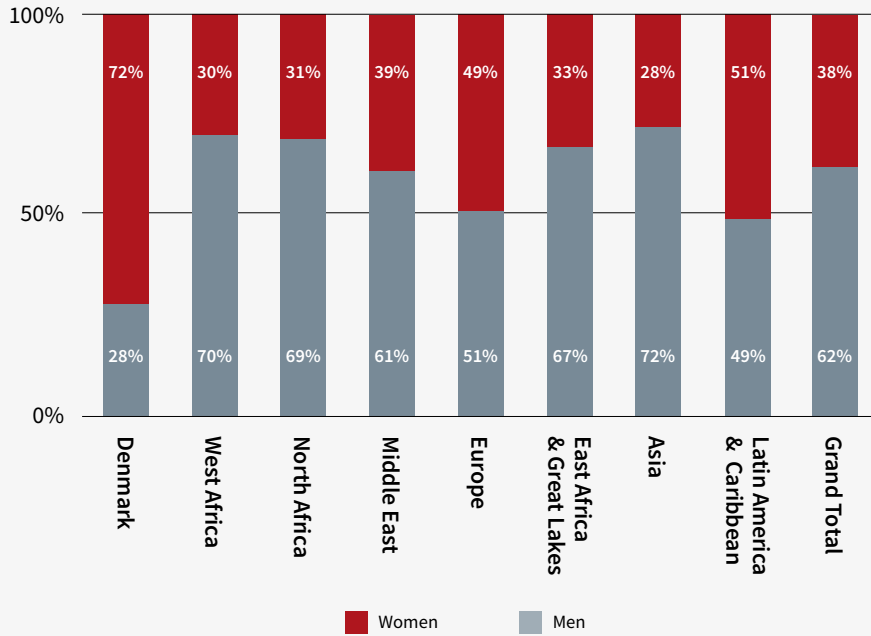


Employees by Region, 2021

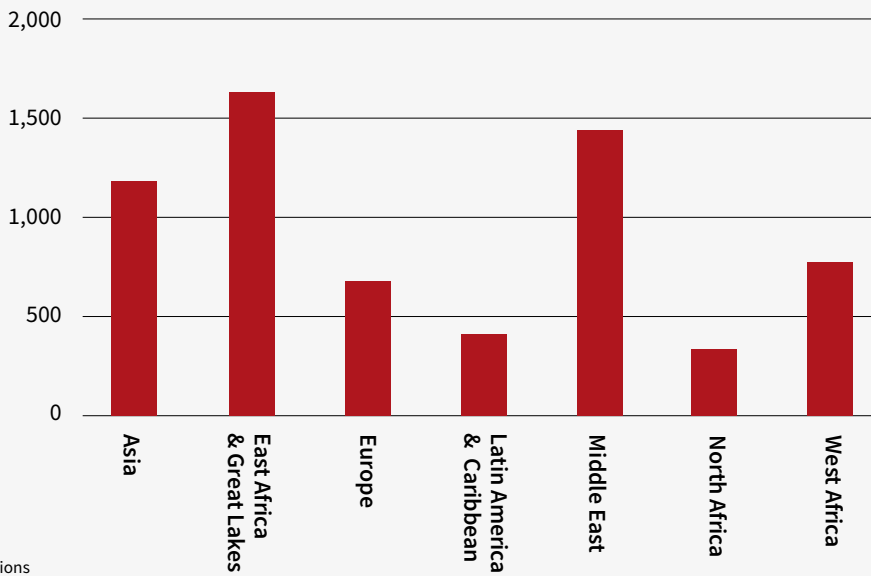
Region	Expatriates	%	National Employees	%	Total
Asia	63	5 %	1,182	95 %	1,245
East Africa and Great Lakes (EAGL)	113	6.5 %	1,629	93.5 %	1,742
Europe	29	4.1 %	679	95.9 %	709
Latin America and Caribbean (LAC)	29	6.5 %	412	93.5 %	441
Middle East	118	7.6 %	1,438	92.4 %	1,556
North Africa	60	15.3 %	335	84.7 %	396
West Africa	109	12.3 %	777	87.7 %	886
Denmark & HQ	0	0 %	559 ¹	100 %	559
Total	521	6.9%	7,011	93.1 %	7,532

1) Including an average of 7.6 roving staff.

Employees by Gender, 2021



Locally Employed Staff in International Operations, 2021



Risks

DRC constantly strives to reach those in need, wherever they are. In this context, DRC often finds itself having to address new or exacerbated risks created directly or indirectly by external events. In 2021, the defining external events for DRC were the continuing fallout from the COVID-19 pandemic, ongoing civil war in Ethiopia, and the takeover of Afghanistan by the Taliban. Many of the risks described in this section are symptomatic of the challenges that DRC faces when choosing to stay and deliver in such environments.

Operational Risks

Operational risks associated with issues such as access for programmatic delivery, organisational structure, and programme and grant management account for the largest volume of high/very high-rated residual risks across DRC's country operations. Adaptations to programming approaches, remote management

modalities, and adjustments to control processes have been inevitable consequences of the unpredictability of COVID-19 and related policies. However, in many ways these challenges are consistent with those identified in many of the fragile and conflict-affected countries in which DRC operates, where dynamic conditions affect the efficiency with which many projects can be implemented without facing some level of operational risk. It may be difficult, for example, to gain physical access to the areas that need help, or even to transfer needed funds to local banks. Operating in such environments requires a significant managerial focus on project planning and implementation, and accurate data to facilitate operational decision-making at all levels of the organisation.

Another risk that is continuously increasing across the world, and not just for DRC, is cybersecurity. DRC considers this a strategic-level risk, associated with



threats of system breakdowns, financial losses, and the compromise of sensitive data. This global trend appears to be on the rise, and it will require resources to limit the vulnerability of DRC's IT systems.

Financial Risks

DRC's extensive international operations are influenced by fluctuating exchange rates and uncertain banking and transfer terms and conditions. Donor funds are often received well before or well after they are used, and in the meantime, DRC bears most of the risk of exchange rate fluctuations. Growing instability in the global economic environment, including rising inflation rates, will likely increase this risk level entering 2022.

Liquidity is also a key strategic risk for DRC, as the flow of funds across operations is high compared to the level of liquidity available. Progress was made during 2021 to introduce more robust procedures for monitoring and controlling liquidity, and as a result there were no significant liquidity impacts on operations during 2021.

Legal Compliance Risks

Legal compliance risks account for the second-highest proportion of high- and very-high-rated residual risks across the global portfolio. DRC works in many countries where legal frameworks are unclear, and where laws can change significantly at short notice, or even retrospectively. It is, therefore, sometimes difficult for DRC to observe all current regulations in such contexts.

Because of this, DRC accepts a certain level of legal compliance risk. Where this risk materialises as incidents, the impact is most often financial. These risks have grown in recent years, particularly with respect to the frameworks governing labour law and personnel taxation. DRC experienced a number of incidents and losses during 2021, though it is significant that several of these losses related to historic, rather than current, incidents. So, while some risk remains, there has been good progress on mitigating future risk in this area.

A strategic-level legal compliance risk of particular concern relates to the unintended consequences of sanctions and/or counter-terrorism legislation levelled against countries where DRC operates. The unfortunate global trend of financial institutions and banks "de-risking" their activities or disengaging from their commitments to provide services in certain countries under sanctions, remains of special concern. This trend has very tangible consequences for DRC and other humanitarian actors, as well as for the sanctioned countries, as it impedes the ability to transfer funds for humanitarian activities into sanctioned countries, effectively restricting humanitarian access to the people who need our assistance the most. For this reason, DRC renewed its banking relationships in 2021, and now operates with two global banks to ensure more reliable performance in these countries.

Reputational Risk

Although DRC has detailed ethical guidelines for staff and volunteers, harm to persons of concern caused by unethical behaviour or error by DRC staff remains an active risk in any operational context. Preventing and reporting misconduct is always a high organisational priority, and DRC management dedicates special attention and resources to detecting and addressing serious cases of misconduct through DRC's complaints mechanism, known as the DRC Code of Conduct Reporting Mechanism. Management maintains an ongoing dialogue with donors and ensures compliance with the highest standards.

Closing Remarks on Risk

2021 saw significant maturation in the use of DRC Dynamics throughout the organisation, which in large part demonstrates a positive risk opportunity taken. However, throughout 2021, unanticipated gaps and inaccuracies in data have resulted in risks materialising with provisions being required. This serves to underscore the centrality and importance of adequate data throughout the system, particularly where processes are cross-cutting.

Management Statement on the Annual Report

The Executive Committee and the Executive Management Team have today considered and approved the annual report for the financial year 1 January – 31 December 2021 for the Danish Refugee Council.

The annual report has been prepared in accordance with the requirements of the bylaws, the accounting provisions of the Danish Financial Statements Act governing reporting class A entities subject to the adjustments caused by the special nature of the organisation, and ISOBRO's financial reporting guidelines for fundraising organisations.

Fundraising is conducted in accordance with “Indsamlingsloven” and related “Bekendtgørelse nr. 160 af 26. februar 2020”.

In our opinion, the financial statements give a true and fair view of the organisation's financial position at 31 December 2021 and of the results of its operations for the financial year 1 January – 31 December 2021.

We also believe that business procedures and internal controls have been established to ensure that the transactions covered by the financial statements are in accordance with appropriations granted, laws and other regulations, agreements entered into, and usual practice, and that due account has been taken of financial considerations in the management of the funds and operations of the organisation covered by the financial statements.

In addition, in our opinion, systems and procedures have been established that support financial prudence, productivity, and efficiency.

Furthermore, in our opinion, the management's review provides a fair review of developments in the Organisation's activities and financial position and a description of the special risks that can affect the Organisation. The annual report is recommended for approval by the Annual Council Meeting.

Copenhagen, 10 May 2022

Charlotte Slente
Secretary General

Anne Mette Barfod
Chief Financial Officer

The Executive Committee of the Danish Refugee Council

Agi Csonka
Chair

Kim Simonsen
Vice Chair

Bettina Bach

Juliane Marie Neiiendam

Karen Faarbæk de Andrade Lima

Mette Fejfer

Ulla Næsby Tawiah

Sophie Rytter

Vagn Berthelsen

Independent Auditor's Report

To the Council and the Executive Committee of the Danish Refugee Council

Opinion

We have audited the financial statements of the Danish Refugee Council for the financial year 1 January to 31 December 2021, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the requirements of the bylaws, the accounting provisions of the Danish Financial Statements Act governing reporting class A entities subject to the adjustments caused by the special nature of the Organisation, and ISOBRO's financial reporting guidelines for fundraising organisations.

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 31 December 2021 and of the results of its operations and cash flows for the financial year 1 January to 31 December 2021 in accordance with the requirements of the bylaws, the accounting provisions of the Danish Financial Statements Act governing reporting class A entities subject to the adjustments caused by the special nature of the Organisation, and ISOBRO's financial reporting guidelines for fundraising organisations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark as well as generally accepted public auditing standards as the audit is based on the provisions of the audit instructions on performing audits in connection with the Partnership Organisation's management of subsidised activities in developing countries. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

opinion. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the requirements of the bylaws, the accounting provisions of the Danish Financial Statements Act governing reporting class A entities subject to the adjustments caused by the special nature of the Organisation, and ISOBRO's financial reporting guidelines for fundraising organisations, 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 Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with ISAs and additional requirements applicable in Denmark, and generally accepted public accounting standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, and generally accepted public accounting standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, 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 management's review and, in doing so, consider whether the management's review is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial statements are in accordance with the appropriations, laws and other regulations, agreements and usual practice, and that financial consideration has been made when managing the funds and operations covered by the financial statements. Management is also responsible for establishing systems and processes supporting economy, productivity and efficiency.

As part of our audit of the financial statements, it is our responsibility to perform compliance audit as well as performance audit of selected subject matters in accordance with the public auditing standards. In our

compliance audit, we test the selected subject matters to obtain reasonable assurance about whether the examined transactions covered by the financial statements comply with the appropriations, laws and other regulations, agreements and usual practice.

In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and operations covered by the financial statements.

If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report this in this statement.

Copenhagen, 10 May 2022

Deloitte | Statsautoriseret Revisionspartnerselskab | Business Registration no. 33 96 35 56

Henrik Wellejus
State-Authorised
Public Accountant
MNE No. 24807

Christian Dalmoose Pedersen
State-Authorised
Public Accountant
MNE No. 24730

Income Statement 1 January – 31 December

Note		2021 DKK '000	2020 DKK '000
	Income-generating activities		
2	Public and private funds collected (restricted)	2,938,478	2,990,041
3	Private funds collected (unrestricted)	86,032	74,496
4	Income from own activities	98,852	156,508
	Total income from income-generating activities	3,123,362	3,221,045
5, 10	Expenses related to income-generating activities	2,840,526	2,867,955
6, 10	Expenses related to own activities	106,068	189,654
7	Net financial income/expenses	-19,770	-9,273
	Result from income-generating activities	196,538	172,709
8, 10	Administrative expenses	163,432	167,880
	Result before special-purpose activities	33,106	4,829
9	Special-purpose activities	7,699	9,412
	Result for the year	25,407	-4,583
	Result for the year is transferred to equity as follows:		
	Unrestricted funds	25,407	-3,483
	Changes in restricted funds		
	Relief pool	0	-1,100
	Total	0	-1,100
	Total distribution of result	25,407	-4,583

Balance Sheet as of 31 December

Note	2021 DKK '000	2020 DKK '000
Assets		
	0	0
	646	754
	60	60
	706	814
11	706	814
Current assets		
Receivables		
	575,172	567,499
	18,688	32,904
	43,664	86,534
	1,741	0
	10,164	9,213
	649,429	696,150
12	668,078	493,797
	1,317,507	1,189,947
	1,318,213	1,190,761
Equity and liabilities		
Equity		
	385,373	359,966
	0	0
	385,373	359,966
13	69,332	70,180
14	0	28,693
Current liabilities other than provisions		
	23,844	46,484
	786,064	587,353
	67	2,054
14	53,533	96,031
	863,508	731,922
	1,318,213	1,190,761

Note 15 Other liabilities

Note 16 Related parties

Note 17 Other disclosures

Statement of Changes in Equity for 2021

Equity

	Unrestricted funds (DKK '000)	Total equity (DKK '000)
Balance at 1 January	359,966	359,966
Result for the year	25,407	25,407
Balance at 31 December	385,373	385,373

Cash Flow Statement for 2021

Note	2021 DKK '000	2020 DKK '000
Assets		
	5,637	-13,856
11	91	598
	46,722	-272,969
	-848	4,000
	102,892	302,211
	154,494	19,984
7	19,770	9,273
	174,264	29,256
11	-344	-705
11	361	0
	17	-705
	174,281	28,551
12	493,797	465,246
12	668,078	493,797

Note 1

Summary of Significant Accounting Policies

The Annual Report of the Danish Refugee Council (DRC) for 2021 has been presented in accordance with the requirements of the bylaws, the accounting provisions of the Danish Financial Statements Act governing reporting class A entities subject to the adjustments caused by the special nature of the Organisation, and ISOBRO's financial reporting guidelines for fundraising organisations.

To ensure the accuracy and completeness of the financial statements and comparative figures it has been necessary to restate several 2020 balances and 2019 comparative balances in the financial highlights. The restatement is the result of several errors in the previously reported financial statements that were identified during 2021. Refer to Note 17 for further commentary and specific details of affected balances.

Basis of recognition and measurement Assets and liabilities

Assets are values owned by DRC or amounts owed to the Organisation, be it cash, bank deposits, fixtures and fittings or IT equipment, etc. Amounts owed typically arise from trade receivables or other transactions for which payment does not take place until after the balance sheet date. Amounts owed to the Organisation also include firm grant commitments provided by third parties prior to the balance sheet date but which will not be paid until after the balance sheet date. These amounts are also expenses paid prior to the balance sheet date concerning services etc. received in the period after the balance sheet date, such as rent, insurance premiums, subscriptions, etc.

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Organisation, and the value of each asset can be measured reliably. Liabilities are amounts owed to others, e.g. amounts owed for goods or services provided before the balance sheet date but will not be paid until after the balance sheet date as well as payroll-related items withheld on wages and salaries paid. Liabilities also include the value of services that DRC is under an obligation at the balance sheet date to provide to third parties. Such obligations may be to provide certain services that have not been rendered at the balance

sheet date in return for consideration received before the balance sheet date.

Liabilities are recognised in the balance sheet when the Organisation has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Organisation, and the value of the liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that might arise before the time of presentation of the Annual Report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered on recognition and measurement.

Accounting estimates and judgements

Determining the carrying amount of certain assets and liabilities is subject to estimation and judgement. Future results will therefore be affected in so far as actual circumstances prove to differ from previous estimates and judgements. Estimates and judgements are based on assumptions, which are considered reasonable by Management. The principles for making accounting estimates material to financial reporting are consistent with those applied in previous years. The most significant accounting estimates are related to provisions.

Income and expenses

Income is amounts that have increased the Organisation's equity, i.e. the value of transactions, events etc. that has increased the Organisation's net assets. Income from income-generating activities includes public funds collected, private funds collected and income from own activities.

Expenses are amounts that have been spent by the Organisation and so reduced its equity, i.e. the value of transactions, events etc. that has reduced the Organisation's net assets. Examples of such expenses are expenses related to income-generating activities, expenses related to own activities and expenses related to foreign currency translation adjustments. These expenses also comprise administrative expenses which include annual depreciation of the Organisation's property, plant and equipment. Recognition of income in the income statement is effected as described below for each financial statement item.

Income Statement

Income from income-generating activities

Income of the Organisation comprises public and private funds collected as well as income from own activities.

Public and private funds collected (restricted)

Public funds collected comprise Danish and foreign institutional donors or authorities or private donors with whom a contract has been entered into. Such funds are recognised as and when utilised.

Private funds collected (unrestricted)

Private funds collected comprise contributions by private donors and enterprises by way of various collections and events, inheritance and gifts, and membership fees from member organisations. Such funds are recognised as income when received or when the fundraising results are available.

Income from own activities

Income from own activities comprises consultancy services provided in integration matters and interpreting services etc. as well as language school activities. Income is recognised at the time of provision of services to the recipient.

Expenses utilised for income-generating activities

Expenses utilised for income-generating activities comprise expenses directly attributable to the organisation of various fundraising events, expenses incurred for international activities, and expenses related to the Organisation's work with volunteer networks and asylum counselling etc.

Expenses related to own activities comprise expenses directly attributable to income-generating activities. Expenses related to own activities arise from the performance of various consultancy, integrating, interpreting and language school activities. The expenses include wages and salaries, rent, other external expenses as well as amortisation and depreciation directly attributable to the individual activities. Expenses are charged to the income statement when incurred, and they are subjected to usual accrual accounting so as to cover the financial year to which they relate.

VAT refunds are recognised as income when received and recognised for proportionate reduction of the respective types of expenses as the refunds are considered an adjustment of amounts previously charged to the income statement.

In so far as expenses regarding international and Danish institutional donors and public authorities exceed the funds collected, any overspend is covered by the Organisation.

Net financial income or expenses

Financial income or expenses comprise interest income or expenses and realised and unrealised foreign exchange gains or losses. These items primarily arise from foreign currency translation adjustments related to the income-generating activities, for which reason they are presented within these activities.

Administrative expenses

Administrative expenses are calculated as total HQ expenditure, including HR, IT, finance, rental expenses, etc. Capacity-building expenses and expenses for strategic initiatives launched during the period are included in this financial statement item.

Expenses related to purpose-specific activities

Special-purpose expenses comprise expenses for the Organisation's General Secretariat, which is responsible for e.g. advocacy projects and the Organisation's own contribution to relief projects.

Balance Sheet

Property, plant, and equipment

Buildings, leasehold improvements, motor vehicles, fixtures and fittings are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, any costs directly attributable to the acquisition, and any preparation costs of the asset until the time when it is ready to be put into operation. The basis of depreciation is cost plus revaluation and minus estimated residual value after the end of useful life.

Depreciation is provided according to the straight-line method based on the following assessment of the assets' expected useful lives:

Buildings	3-5 years
Leasehold improvements	3-5 years
Motor vehicles	2-4 years
Fixtures and fittings and IT	2-4 years

Depreciation is recognised in the income statement in the line items "Expenses related to own activities" and "Administrative expenses", respectively. Assets costing less than DKK 50,000 are expensed in the year of acqui-

sition. All acquisitions financed by collected funds are charged to the income statement at the time of acquisition in so far as they took place at the donor's expense. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount. Expenses related to DRC Dynamics have been charged to profit or loss in full.

Project aid receivable from public and private funds

Funds utilised, but not received at the time of use are recognised as a receivable in so far as a right to such funds has been obtained at the balance sheet date.

Receivables

Trade receivables are measured at amortised cost, which usually equals nominal value less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Equity is composed of unrestricted capital and restricted capital. Restricted capital consists of DRC's relief pool and funds designated for special strategic purposes, which at the end of the financial year have been released for use in the subsequent financial year. Unrestricted capital consists of retained earnings that do not represent restricted funds.

Provisions

Provisions comprise expected expenses related to the discontinuance of operations. Provisions are recognised when, as a result of a past event, the Organisation has a legal or constructive obligation, and it is probable that an outflow of economic resources will be required to settle the obligation. Provisions are measured at net realisable value.

Project aid payable from public and private funds

Funds that are received before the time of use but with no expenses having been incurred at the balance sheet date that are equivalent to the funds received, are recognised in the balance sheet as current liabilities.

Deferred income

Deferred income comprise payments received concerning income to be recognised in subsequent financial years.

Other liabilities

Other liabilities are measured at amortised cost.

Foreign currency translation

Foreign currency transactions are translated on an ongoing basis applying the daily updated exchange rates provided by OANDA. If donors require project-specific exchange rates according to contract, then such rates are used in so far as they do not vary significantly from the transaction date exchange rate.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the 31 December 2021 exchange rates provided by OANDA.

Exchange differences arising between the rate used on the transaction date and the settling rate in effect at the payment date are recognised in the income statement in the line item "Net financial income and expenses".

Non-current assets acquired in foreign currencies are measured at the exchange rates in effect at the transaction date.

Financial ratios

Financial ratios are calculated in accordance with the recommendations of the sectoral organisation ISOBRO. Financial ratios presented in the management's review have been calculated as follows:

Financial ratios	Calculation formula	Financial ratios reflect:
Profit margin on collection funds and income-generating activities	$\frac{\text{Profit from income-generating activities} * 100}{\text{Income from income-generating activities}}$	The profit margin on collection funds reflects the share of funds recognised as income in the reporting period that remain for the Organisation net of expenses directly attributable to the generation of income.
Administrative expense ratio	$\frac{\text{Administrative expenses} * 100}{\text{Income from income-generating activities}}$	The administrative expense ratio reflects the share of the Organisation's total income incurred for administration and similar expenses.
Special-purpose activities ratio	$\frac{\text{Expenses related to special-purpose activities} * 100}{\text{Income from income-generating activities}}$	The special-purpose activities ratio reflects the share of the Organisation's total income incurred for specialpurpose activities in the reporting period in the form of expenses incurred that are directly attributable to the relevant activities.
Consolidation ratio	$\frac{\text{Profit/loss for the year} * 100}{\text{Income from income-generating activities}}$	The consolidation ratio reflects the share of the Organisation's total income incurred to consolidate its assets.
Safety margin	$\frac{\text{Equity} * 100}{\text{Total expenses for income-generating, special-purpose and general activities}}$	The safety margin reflects to what degree equity at financial year-end can accommodate the expenses of the Organisation.
Equity ratio	$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$	The equity ratio reflects the Organisation's financial strength.
Share of restricted funding	$\frac{\text{Restricted funds collected} * 100}{\text{Income from income-generating activities}}$	The share of restricted funding reflects the share of funding of the Organisation that is based on grants etc. from public authorities and private donors.

Headcount

The average headcount in Denmark has been calculated based on the number of hours reported from the Organisation's payroll system to the Danish Tax Agency. Subsequently, the number of hours for employees in Denmark has been converted into job years based on an average of the annual number of 1924 hours per full-time employee. The number of employees remunerated abroad is based on the number of employees registered in the Organisation's ERP system. Volunteers are not included in this number.

Cash Flow Statement

The purpose of the cash flows statement is to provide information about the Organisation's cash flow for the financial year.

The cash flow statement is divided into cash flows regarding operating and investing activities and discloses where the funds come from, how they are spent, and what the cash generated from operating activities is invested in.

Cash flows from operating activities are calculated in accordance with the indirect method on the basis of profit/loss for the year before financial income and expenses, adjusted for non-cash operating items and working capital changes. For example, an increase in liabilities and payables would reflect saved outflow of cash and cash equivalents, for which reason such increase would be regarded as cash inflow. Similarly, a decrease in an amount receivable would reflect net receipts, for which reason this too would be regarded as cash inflow.

Note 2

	2021 DKK '000	2020 DKK '000
Public and private funds collected (restricted)*		
Project aid, pools etc.*	2,896,047	2,943,516
Funds from the DMII * * *	3,800	3,800
Funds from the DMII: Grant for volunteer work * * *	12,177	9,713
Funds from the DMII: Grants for asylum counselling, documentation etc, * * *	17,355	10,354
Funds from the DMII: Grants for asylum counselling services * * *	0	11,546
Funds from the DMII: Repatriation * * *	4,100	4,400
Funds from the DMII: Centre for Vulnerable Refugees * * *	1,100	1,100
Allocation funds**	3,899	5,612
Total public and private funds (restricted), total	2,938,478	2,990,041

* Funds from the 2021 national charity event "Danmarksindsamlingen" total DKK 6.8 million, of which DKK 6.4 million has been transferred to the "Syriske Flygtninge børn i Tyrkiet og Libanon påvirket af corona krisen" project. To this should be added DKK 0.4 million spent by DRC on the administration of the project. A total of DKK 2.2 million was spent in 2021, leaving DKK 4.2 million to be spent in 2022. The DKK 4.2 million is included in the item "Current liabilities other than provisions".

** The grant of DKK 3.9 million received in 2020 has been utilised in 2021 in accordance with the Organisation's object. The funds were allocated to projects concerning voluntary social activities and national advocacy projects.

*** Funds from the DMII = Danish Ministry of Immigration and Integration.

Note 3

	2021 DKK '000	2020 DKK '000
Private funds collected (unrestricted)		
Private donations	71,345	68,547
Other events	3,065	2,229
Annual national collection	11,333	3,431
Membership fees from membership organisations	289	289
Total private funds collected (unrestricted)	86,032	74,496

Note 4

	2021 DKK '000	2020 DKK '000
Income from own activities		
Income from sales of consultancy services	44,129	57,491
Income from local authorities etc.	54,723	99,017
Total income from own activities	98,852	156,508

Note 5

	2021		2020
	DKK '000		DKK '000
Expenses related to income-generating activities			
<hr/>			
Expenses related to fundraising activities	34,441		33,262
Project-related expenses:			
Projects, pools etc.*	2,771,353		2,797,664
	2,805,794		2,830,926
Expenses related to the Danish Ministry of Immigration and Integration:			
Volunteer work	12,177	9,713	
Asylum counselling, documentation etc.	17,355	10,371	
Asylum counselling services	0	11,445	
Repatriation	4,100	4,400	
Centre for Vulnerable Refugees	1,100	1,100	37,029
	34,732		
<hr/>			
Total expenses related to income-generating activities	2,840,526		2,867,955
<hr/>			

DKK 121,988 million thereof relates to Danida single projects and DKK 93,194 millions relates to FCDO as specification on page 57.

Note 6

	2021	2020
	DKK '000	DKK '000
Expenses related to own activities		
<hr/>		
Other external expenses	31,560	49,800
Payroll costs	74,508	139,854
<hr/>		
Total expenses related to own activities	106,068	189,654
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Note 7

	2021	2020
	DKK '000	DKK '000
Net financial income/expenses		
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Net interest income/expenses	350	85
Net other financial income	-20,120	-9,358
<hr/>		
Total net financial income/expenses	-19,770	-9,273
<hr/>		

Note 8

	2021	2020
	DKK '000	DKK '000
Administrative expenses		
Other external expenses	41,272	49,171
Payroll costs	122,160	118,709
Total administrative expenses	163,432	167,880

Note 9

	2021	2020
	DKK '000	DKK '000
Special-purpose activities		
Allocation funds	3,899	5,612
General Secretariat	3,800	3,800
Total special-purpose activities	7,699	9,412

Note 10

	2021	2020
	DKK '000	DKK '000
Payroll costs		
Wages and salaries	564,637	633,239
Wages and salaries, local project staff abroad	597,246	594,003
Change in provision for holiday pay obligation	-867	1,535
Total wages and salaries	1,161,016	1,228,777
Pension contributions	44,359	55,535
Social security costs	60,727	61,270
Total payroll costs	1,266,102	1,345,582

Of this, remuneration to the Secretary General, including pension contributions	1,343	1,217
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The Executive Committee is not remunerated.

Number of job years in Denmark and expats, including UN expats	1,084	1,263
Local project staff abroad	6,452	7,424

Note 11

	Buildings (DKK '000)	Motor vehicles (DKK '000)	Fixtures / fittings / IT (DKK '000)
Property, plant and equipment			
Cost			
Carrying amount at 1 January	3,098	12,363	1,427
Additions	0	344	0
Disposals	0	361	0
Carrying amount at 31 December	3,098	12,346	1,427
Depreciation and impairment losses			
Carrying amount at 1 January	3,098	11,609	1,367
Depreciation and impairment losses	0	363	0
Depreciation and impairment losses, disposals	0	272	0
Carrying amount at 31 December	3,098	11,700	1,367
Total carrying amount at 31 December	0	646	60

Note 12

	2021 DKK '000	2020 DKK '000
Cash and cash equivalents		
HQ	384,931	254,583
Cash and cash equivalents in Denmark	11,935	10,350
Cash and cash equivalents outside Denmark	271,212	228,864
Total cash and cash equivalents	668,078	493,797

Note 13

	2021 DKK '000	2020 DKK '000
Provisions		
International termination benefit liabilities etc.	24,061	28,752
International projects	20,769	23,134
Other	24,502	18,294
Total provisions	69,332	70,180

Note 14

	2021 DKK '000	2020 DKK '000
Other payables		
Holiday pay	14,248	16,874
Other	39,285	79,156
Total other payables	53,533	96,030

Note 15

	2021 DKK '000	2020 DKK '000
Other liabilities		
Operating leases on photocopiers etc, (36 months)	0	49
Rent	21,351	39,638
Guarantee commitments	100	399
Total other liabilities	21,451	40,086

Note 16**Related parties**

The Danish Refugee Council is an umbrella organisation of non-partisan, voluntary national and international humanitarian organisations. Related parties are the Executive Committee and the Executive Management Team.

Note 17**Other disclosures**

In 2020, assets classified as other receivables included an amount of DKK 29.5 million which could not be confirmed due to incorrect and incomplete bookings. This resulted in a qualified audit opinion being issued. During 2021, extensive work has been performed to identify the transactions making up the amount and to take corrective action. Correcting entries have been booked in 2021, but as they relate to 2020, they need to be reflected in the financial statements of 2020. Therefore the 2020 accounts have been restated to reflect the changes in balances as a result of the corrections made. The corrections have had a Profit and Loss impact and therefore the result for 2020 has been written down from 1,339 (DKK '000) to (4,583) (DKK '000). The balance sheet items also impacted are (all DKK '000): Other receivables restated from 168,128 to 86,534, Cash and cash equivalents restated from 439,421 to 493,797, Unrestricted funds (Equity) from 365,888 to 359,966, Trade payables from 53,488 to 46,484, and Other payables from 96,033 to 96,031. Additionally, there was an impact on Project aid, unexpended grants of 14,290, however due to an additional restatement on this balance sheet item the balance reported has been further impacted (see below).

An error in the reporting of the International project aid receivable and International project aid, unexpended grants balances in both 2020 and 2019 has been identified. The error resulted from discrepancies in the data supporting the calculation of the balances. As a result, the amounts for the balance sheet items have been restated in 2020 and the comparative figures restated for 2019. For 2020, International project aid receivable was restated from 798,101 to 567,499 (DKK '000) and International project aid, unexpended grants was restated from 832,245 to 587,353 (DKK '000), including the additional restatement above. For 2019, the comparative balances in the Financial highlights have been restated as follows; Current assets from 1,119 to 1,046 (DKK '000) and Other liabilities from 689 to 616 (DKK '000).

Specifications to Note 5

Specification related to note 5 for Danida Single Projects and Foreign, Commonwealth & Development Office

Danida Single Grants utilised in 2021 in DKK' 000

Description	Reference no.	Amount
DAPP LVH Jordan Amman Support	F2 2016-188	1,204
MM4 Sight/PREMM (517-832)	2017-42029	21
Mixed Migration Centre	2018-45982	822
Støtte til the Joint IDP Profiling 20-22	2020-7481	1,123
Danida Christmas Calendar - BUK 2019-2020	2017-3403/3404	2,475
DSP for displaced Syrians	2017-12467-1	2,261
Preparedness and Response to COVID	2017-39224	17,368
Emergency 2019 - BKA - MRE	2018-36361	-22
Emergency 2020 - Protection	2019-35292	1,810
Supporting Eritrean Refugees in Ethiopia	DRC229/2020 ADDIS	-211
DANIDA SAHEL 2021	2020-44586	10,195
PD_GVA_MMC_Danida 21-22	2021 - 6231	2,781
Emergency 2021	2020-34703	18,165
2021 to 2023 Energy and Environmental management	2020-32311	7,407
DMDP Fair Recycling	2020-42139	596
UGA Management of the Implementation of NURI	DC 3264	55,980
Total		121,975

Foreign, Commonwealth & Development Office (FCDO) utilised in 2021 in DKK '000

Description	Reference no.	Amount
2019-2021 Burundian Refugee Assistance	204805-107	11,699
PD_GVA_H2H_British Embassy	205143-108	2,130
PD_GVA_H2H_Humanitarian Global Services	205255-104	15,144
Protection and resilience focused assistance to conflict affected populations in Syria	300086	-905
Routes-Based Migration Response Programme	300196	20,032
Phase II Safety, Support and Solutions	300461-103	11,023
Livelihoods and Legal Assistance Programme for Eastern Ukraine	300561-103	4,485
Coronavirus Outbreak — UK Response	301150-117	14,597
Accountable Grant Agreement	300491	664
Essential Protection and Livelihoods Support	HARP-DEL-013	21
EMP Addressing Unsafe and Irregular Migration	PO 8470	14,304
Total		93,194



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