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Bread for the World –
Protestant
Development Service

African Church Assets Programme-IV
(Ethiopia)

And

Ethical investment guideline development

For

Churches and Church Related Organisations

Final Ethical Investment Guidelines

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<p>Frequently in many countries national investment policies deal with either in line with the adaptation of international policies or the creation new policy without contradicting global conventions. In 2015 Investment Policy Framework for Sustainable Development, officially launched at the Financing for Development Conference in Addis Ababa, provides guidance for policymakers in the evolution towards a New Generation of investment policies. The Investment Policy Framework consists of an overarching set of Core Principles for Investment Policymaking that serve as design criteria for three sets of operational guidelines or action menus: these are guidelines for national investment policies, guidance for the design and use of international investment agreements (IIAs), and an action menu for the promotion of investment in sectors related to the sustainable development goals. The UNCTAD Investment Policy Framework has served as a reference for many policymakers in formulating national investment policies and in negotiating investment agreements.....</p>	
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Executive Summary

African Church Asset Programme (ACAP-IV) is the fourth phase that Globethis.net has been implementing in collaboration with All African Conference of Churches and with the funding source from Bread for The World, Germany. ACAP-IV Ethiopia is aimed to undertake country study and based on the findings develop Ethical Investment Guideline as part of strengthening Churches and Church Related Organisations (CROs) in the process of responsible investment. This study clearly spelt out that the scale of the investment is very limited in relation to the existence of Christianity and establishment of churches in Ethiopia since the 4th century. This clearly indicates that churches have been reluctant to boldly go into investment despite the scripture stresses that it is mandatory for both the pastoral and social ministry of the church and CROs to shift from burying their 'one talent' to multiplying their 'two talents' or 'five talents' (Matthew 25:14-30) for maximum benefit to the course of Christ.

The purpose of developing ethical investment is to strengthen the capacity of churches and church related organisations to achieve desired outcomes in core call of mission, societal services, build capacity of economic competitiveness and become responsible stewards of God created environment. This guideline is therefore developed based on the results of the Country Study conducted in Ethiopia in August 2021 and was elaborated by the inputs of the participants at the National Workshop conducted recently during February 13-15, 2022 in Adama, Ethiopia.

To develop ethical guidelines key management tools of ethical leadership framed as L.E.G.S methodological framework was used to assess the extent churches and church related organisations have incorporated in their core programmes the key objectives related to leadership, ethics, governance and sustainability. The study also included qualitative method to collect and test interviews, conversational analysis, and observations of the consultants with key informants to gauge the extent churches and church related organisations have already incorporated in one way or the other key objectives of leadership, ethics, governance and sustainability. Secondary information was obtained from various sources. Primarily documents from previous phases of African Churches Asset Programme (ACAP) such as project plans, baseline survey, project reports, workshop proceedings as well as literature on ethics and leadership and governance were reviewed to get inputs to develop a user-friendly and a comprehensive ethical investment guideline.

Besides, locally available documents on legislations (investment proclamation, policies, and regulation, environmental impact assessment, labour laws, tax policies, human rights, property management and procurement guidelines) were also adequately reviewed. The inputs and comments of participants (from various government ministries, church leaders, private sectors and professional with leadership and ethics educational back grounds) in two round workshops mentioned above have been incorporated to further strengthen and develop applicable Ethical Investment Guidelines.

1.Introduction and Background

1.1 African Churches Assets Management Programmes (ACAP I- III)

The idea of this (Section-1) is not to go back to the Country Study on which the workshop was conducted in August 2021. The main objective of the section is to give highlight for new participants on the processes completed before August, 2021 so that they get on the same wave length with the participants presented in the first workshop.

The idea of African Churches Asset Programme might have started at the workshop on 2nd of March 2016 when participating leaders from churches and church-related organisations from 10 African countries, senior leadership from Globethics.net, Leaders from AACC, and representative from Bread for The World, Germany met at All Africa Council of Churches (AACC) in Nairobi, Kenya. Globethics.net has taken the mandate to implement African Churches Asset Programme (ACAP) in cooperation with AACC while the fund is to be provided by Bread for The World, Germany.

The various deliberations at this very first conference gave insight to participants from 10 African countries to look inward into their respective organisations in general and how resources they were entrusted to care were managed. At the end of the deliberations, most of the participants widely opened their eyes and saw enormous human, social, financial, natural and physical assets around them and also under their possessions. They also realized that those resources had not been properly registered, kept in save places, used as appropriate for common good, but some of them were misappropriated. The participant realize that some title deeds of church properties were held by individuals which was an example of mixing churches' resource with private property.

The awareness that was create in relation to churches' resources management boldly came out as an outcome of that conference. The ideas discussed at that conference had been resulted in the realization of African Church Asset Programme-I.

African Church Asset Programme (ACAP-I) was developed into a project aiming at to improve churches asset management (assets mapping process, ensure legal registration in churches ownership). The project also aimed to help developing strategies and tools needed to enhancing capacities of Churches and Church-related Organisations (Ch-CROs).

Following the ground works that had been undertaken by ACAP-I, Globethics.net expressed its determination to further strengthen the management capacities of Ch-CROs in asset management, therefore, African Church Asset Programme (ACAP-II) was emerged as phase two.

African Church Asset Programme (ACAP-II) was commenced focusing on to ensuring legal titles and registration of churches properties, taking inventories of temporal goods, articulating the need for asset mapping; enhancing capacities, competencies and commitment in assets

management and reinforcing stewardship of the goods entrusted to church leaders' care. Envisaging business to increase outputs; packaging and connecting small scale farmers to markets were among the activities undertaken during ACAP-II implementation. Participants at ACAP-II workshop (September 23, 2017 in Nairobi) recommended ethical entrepreneurships and social impact programmes in the management of church assets and church-related businesses that go beyond the simple profit motive. The participants also strongly recommended efforts that promote and help churches to build on social capital, ecumenical capital, ethical capital and financial capital, and these ideas grew to evolve ACAP phase Three.

African Church Asset Programme (ACAP-III). The idea of self-reliance, mobilizing locally available resources and properly managing assets had touched the ground already after the completion of ACAP-II and evolved into ACAP-III that was coined with motto “Churches to go beyond Aid”¹. This was instilled in leaders of churches and church related organisations to responsibly and sustainably manage assets. The leaders/managers had to devise the management tools within their respective organisations so that they become financially sustainable and adopt new approaches to ethical investment. Participants at Accra and Lusaka in November 2019 adopted a new mindset and thinking around four key principles of leadership, ethics, governance and sustainability (L.E.G.S) which have been coined for the purpose of suggesting a new framework that provides the foundation to assets management and ethical investment or as it was presented to become an ethical management guide. There has been great improvement in the asset management, capacities and competence building of churches and church related organisations during the three phases of ACAP implementation from 2016 up to 2019.

1.2 African Church Asset Programme (ACAP-IV)

The ACAP-IV is aimed at to strengthening African churches, church-related organisations (CROs) and stakeholders in the East Africa region to contribute to the development of local policy and / or regulations in ethical investment which the values and ethical standards of their respective organisations. Ethiopia was targeted by ACAP for the first time in 2021 beginning from first quarter. The country study was undertaken by a consultant who presented the findings at the August 1-3/2021 Workshop that was held in Adama. Based on the findings of the study and the inputs that were obtained from the participants at the workshop, an Ethical investment guideline has been drafted to be validated at the upcoming workshop in February 2022.

The concept of ethical investment is not brand new to our time, churches have been reluctant to boldly go into investment despite the scripture stresses that it is mandatory for both the pastoral and social ministry of the church and CROs to shift from burying their ‘one talent’ to multiplying their ‘two talents’ or ‘five talents’ (Matthew 25:14-30) for maximum benefit to the course of Christ. As the Lord said “For to everyone who has will more be given, and he will have an abundance. But from the one who has not, even what he has will be taken away.” (Matthew 25:29).

¹ Nadia Balgobin, Senior Advisor, Globethics.net. ACAP-III Project Report 2019.

1.2.1 Purpose and Specific Objective of ACAP-IV

In the first three phases of ACAP Ethiopian churches were not included. ACAP-IV was the first phase to include Ethiopia through the Country Study programme. The Purpose of ACAP-IV is to strengthen African churches, church related organisations (C-CROs) and stakeholders in East Africa (Ethiopia for this assignment) so that they could develop policy (a set of rules or guidelines) for their respective organisations in ethical investment with local standard setting.

The specific objective of the country study was to prepare a country study report which was presented at a national workshop for discussion and further elaboration to pave way to the

development ethical investment policy document for Churches and Church Related Organisations in Ethiopia. L.E.G.S (Leadership, Ethics, Governance, and Sustainability) was used as methodology framework where key objectives of each of L.E.G.S were used as units of assessment when information were collected from each church and church related organisation. The Country study covered four basic areas to assist the development of Ethical investment guidelines. These are:

- 1) National investment legislation and guidelines;
- 2) Reflection on ethical and human rights principles;
- 3) Social and civil society engagement in the countries on ethical investment; and
- 4) The role and potential of the churches and church networks in the countries in ethical investment.

1.2.2 Target Churches and Church Related

Ethiopian Orthodox Tewahedo Church (EOTC), Ethiopian Catholic Church (ECC) and a number of protestant churches such as Ethiopian Evangelical Church Mekane Yesus (EECMY), Kale Hiwot Church (KHC), Meserete Kirstos Church (MKC), Hiwot Birhane (HB), Ethiopia Mulu Wongel Church (EMWC), Ethiopian Seventh Day Adventist Church, and umbrella organisations such as Evangelical Fellowship Ethiopia and Gospel Believers Council Ethiopia. There were some development wings of churches that were included in the study. Besides, participants from government line departments and university were included in the study.

1.2.3. Major Activities

1.2.3.1. Orientation and Planning of Activities

The consultant and his assistant had accessed Globethics.net huge literature on relevant subjects (Ethics, African Churches Asset management, Project plans/reports, Baseline Survey, Workshop proceedings) to get adequate information to undertake the country study. The online induction meeting that the consultant had with Globethics.net staff both from Geneva and GE-East Africa, All African Conference of Churches representative and with CORAT Africa Consultants was a great opportunity to know each other and also sharing experience.

1.2.3.2 Country Study and First National Workshop

After signing the mandate with Globethics.net, the consultant recruited assistant consultant. The consultant and the assistant identified tools to be used to undertake the country study. Checklist for Key Informant Interviews (KII) has been developed to use for qualitative methods of data collection. As Ethiopia has not been included in any of the previous phases of Globethics.net ACAP projects, the status of churches and church related organisations in assets management was not known. To assess the status on Ch-CROs in Ethiopia in asset management and also on other human and resource management related issues, four principles of Leadership, Ethics, Governance and Sustainability (L.E.G.S) as a framework methodology was used for quantitative method of data collect. The findings of the Country Study were presented at the First National Workshop at Adama Executive Hotel from August 1-3/ 2021.

The participants from various churches and church related organisations expressed their satisfaction on the findings of the Country Study report as well as the proposed idea of ethical investment for churches to engage with. The participants realized ethical investment is an option for responsible engagement that paves the path to build socio-economic self-sufficiency on sustainable manner for churches and CROs. To make ethical investment a reality, churches and CROs identified three major strategic goals that need to be considered by them. These strategic goals of **Ethical Investment**, **Asset Management** and **Human Capital Development** were come out as Workshop Communiqué. The detail text of the communiques is attached as *Annex-2* to this Ethical Investment Guidelines.

2. Ethical Investment: Key Concepts, definitions and Rationale

2.1 Key Concepts and Definitions

The term “**ethics**” is derived from the Greek word “ethos” which refers to character, guiding beliefs, standards and ideals that pervade a group, a community or people. The Oxford Dictionary states ethics as “the moral principle that governs a person’s behaviour or how an activity is conducted”. The synonyms of ethics as per Collins Thesaurus are – conscience, moral code, morality, moral philosophy, moral values, principles, rules of conduct and standards. Ethics refers to well-founded standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. Thus, ethics relates to the standards of conduct and moral judgments that differentiate right from wrong. Ethics is not a natural science but a creation of the human mind. For this reason, it is not absolute and is open to the influence of time, place and situation. Ethics refers to well-founded standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. Thus, ethics relates to the standards of conduct and moral judgments that differentiate right from wrong. Ethics is not a natural science but a creation of the human mind. For this reason, it is not absolute and is open to the influence of time, place and situation².

² STUDY MATERIAL PROFESSIONAL PROGRAMME ETHICS, GOVERNANCE AND SUSTAINABILITY MODULE II
APER 6, ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003, [website www.icsi.edu](http://www.icsi.edu)

Key Concepts and Definitions: Christ founded the Church, to be active in the world. Christian meaning of stewardship, diakonia, and ministry in all areas of a Christian's personal life are important in becoming an effective part of the Church. Social service and contribution to the development of the society are fundamentals of Christian discipleship so as to achieve the mission, that is doctrinal objective and the theology of salvation. It is about how we live and how we give.

Biblical foundation: Christ founded the Church, to be active in the world. Christian meaning of stewardship, diakonia, and ministry in all areas of a Christian's personal life are important in becoming an effective part of the Church. Social service and contribution to the development of the society are fundamentals of Christian discipleship so as to achieve the mission, that is doctrinal objective and the theology of salvation. It is about how we live and how we give. The Christian meaning of social and economic participation is deeply rooted in the biblical foundation and apostolic tradition. Such dynamics and trends of church's participation in social and economic transformation of society are in most cases addressed to the context of Church *moral standard* and *societal* demands

Relationships: Churches' principles and moral values always dictate as to how people and institutions conduct any kind of investments ethically and blamelessly. Apparently, churches and church related organizations are always been engaged to some extent into a kind of investments. Within these social categories, there are already known financial transactions, in terms of donation, tithes, offerings in cash and in kind, etc. There are assets properties which need safe storage, inventory, protection and proper utilization. There are human resource too serving in various fields and in different potential. More to the point, there is a strong aspiration from the society looking towards the church and its related organizations, to be an alternative means of solving overall livelihood problems. The church has also numerous expenses ranging from utilities to land and grand properties procurements required to achieve the core purpose – the mission work.

Integration of Ethical Investment in the service of the Church: The integration of ethical investment into the churches' core duty and apostolic commission did not affect the spiritual nature of the church, the vision and mission. However, it demands a certain guideline which can be integrated to the general social aspect of ecclesiology. Churches and its apostolic ministers' engagement in Ethical investment is beyond a simple business involvement and earnings. It is beyond the ordinary activity of producing, selling and earning that involve charity, but witnessing the Gospel and supporting the mission of the church

The Biblical Example: Churches and its apostolic ministers' engagement in Ethical investment is beyond a simple business involvement and earnings. It is beyond the ordinary activity of producing, selling and earning that involve charity, but witnessing the Gospel and supporting the mission of the church. In the reading of Acts, Apostle Paul earns money by making tents, in order to support himself in his real ministry of witnessing to Christ. But practically speaking this

effort of the Apostle Paul was not an ordinary money making but it was extended to a witness at all times where he preaches and when he makes tents and uses his earnings to benefit the broader community. Hence, Christian investment guidelines underpin the basic foundation of the Ethics of work, and benefiting both the spiritual and social ministry of the Church. As described in (Acts 18:1-4), Saint Paul's investment production, ethical selling, and money-earning work was an effort to build up the Christian community economically by employing his skills and possessions. It was an activity that comprises finance, skill, asset, time, energy/work.

Managing Asset: In the Ethical Investment Asset is beyond the simplistic definition of a resource that has certain economic value for individuals, organizations or company to generate revenue. Economic integration is one of the primary conditions for nation building but, it is not a fundamental. The fabric that holds the society together is the ethics/moral, the values systems and common history that have been developed through spiritual nurturing from generation to generations. Economic growth or having companies with values of billions of dollars cannot be a guarantee to hold a nation, community, and even a family from disintegration.

Ethical investment and Investment: investment is not a sinful activity, it is not in the domain of evil duties, and it is not a kind of pure secular or worldly engagement. True Christians are the most successful investors; they do invest in this world and collect their harvest in heaven. Preserving asset, appreciation of values, progressive pattern of life, are all concepts with deep meaning in Christianity. Obviously, the Church is the assembly of believers. Conventionally speaking investment is an asset or item acquired with the goal of generating income or appreciation or an increase in the value of an asset over time. A good investment always concerns the outlay of some capital, time, effort, or an asset in hopes of a greater payoff in the future than what was originally put in thus when this is done ethically, religiously, spiritually, morally and responsibly. The technical term that defines such moral or ethical way of investment is what we call is the ethical investment.

1.Asset: the concept of asset is beyond the simplistic definition of a resource that has certain economic value for individuals, organisations or company to generate revenue. Economic integration is one of the primary conditions for nation building but, it is not a fundamental. The fabric that holds the society together is the ethics/moral, the values systems and common history that have been developed through spiritual nurturing from generation to generations. Economic growth or having companies with values of billions of dollars cannot be a guarantee to hold a nation, community, and even a family from disintegration.

2. Spiritual Capital: powerful bond that holds people together. The spiritual capital according Samuel Rami (2020) is, "the accumulated and enduring collection of beliefs, knowledge, values and dispositions that drive societal, organizational and interpersonal behavior"³.

3.Societal Spiritual Capital: is the combination of individual and organizational spiritual capital into deeply held beliefs and practices associated with a society, which is passed on from generation to generation.

³ Samuel D. Rima 2020. What is Spiritual Capital? Spiritual Capital and Moral Leadership Institute, May 2020

4.Organizational Spiritual Capital: functions at an institutional level and refers to the organizational structures and assets which bring together organizational values and objectives. Many of you, if not all, have organization’s mission and vision statements, codes of behavior and ethics which give you directions to your roles and responsibilities in society in general and at your denominations and churches and church related organisations you are leading.

5.Individual Spiritual Capital: personal value system, a personal moral vision, an ethos and motivation to achieve organisational purposes transcending challenges and limitations. Spiritual capital has been linked to improved interpersonal and leadership skills and ethical behavior. Spiritual Capital is a readily available yet often untapped resource for leaders and their organizations.

6. Socially responsible investing (SRI): “Socially responsible investing (SRI), also known as social investment, is an investment that is considered socially responsible due to the nature of the business the company conducts. A common theme for socially responsible investments is socially conscious investing. There are two inherent goals of socially responsible investing: social impact and financial gain. The two do not necessarily have to go hand in hand; just because an investment touts itself as socially responsible doesn't mean that it will provide investors with a good return and the promise of a good return is far from an assurance that the nature of the company involved is socially conscious. An investor must still assess the financial outlook of the investment while trying to gauge its social value”⁴. Socially responsible investments tend to mimic the political and social climate of the time. That is an important risk for investors to understand, because if an investment is based on a social value, then the investment may suffer if that social value falls out of favor among investors. For this reason, “socially responsible investing is often considered by investment professionals through the lens of environmental, social, and governance (ESG) factors for investing. This approach focuses on the company's management practices and whether they tend toward sustainability and community improvement. There is evidence that a focus on this approach can improve returns, whereas there is no evidence for investing success from investing purely on social values alone”⁵.

7. Ethical investing: “refers to the practice of using one's ethical principles as the primary filter for the selection of securities investing. Ethical investing depends on the investor's views. Ethical investing is sometimes used interchangeably with socially conscious investing; however, socially conscious funds typically have one overarching set of guidelines that are used to select the portfolio, whereas ethical investing brings about a more personalized result”⁶. Ethical investing is the practice of selecting investments based on ethical or moral principles, however, selecting investments based on ethics offers no guarantee of performance. Ethical

⁴ James Chen and Gordon Scott. 2022: Guide to Socially Responsible Investing. <https://www.investopedia.com/contributors>

⁵ Ibid.

⁶ Will Kenton & Gordon Scott, 2020. Ethical Investing, <https://www.investopedia.com/contributors>

investors typically avoid investments from sin stocks, companies involved with stigmatized activities, such as gambling, alcohol, smoking, or firearms. Ethical investors analysing investments according to ethics should also include reviewing whether the investments' actions align with their commitment to ethics and their historical, current, and projected performance. Ethical investors are individuals that allocate capital toward investments whose practices and values align with environmental concerns, religious beliefs, and compassion for supporting the poor and promoting human rights.

Conventionally speaking investment is an asset or item acquired with the goal of generating income or appreciation or an increase in the value of an asset over time. A good investment always concerns the outlay of some capital, time, effort, or an asset in hopes of a greater payoff in the future than what was originally put in thus when this is done ethically, religiously, spiritually, morally and responsibly. The technical term that defines such moral or ethical way of investment is what we call is the ethical investment.

2.2 Rationale for the churches' Ethical Investment

2.2.1 Existing experience of investment in churches

Churches and Church Related Organisations (C-CROs) have long years of experience in building churches, running social services such as health facilities and schools, building infrastructure such as flour mills, production of religious dresses for leaders, spiritual books and artifacts etc. Over the last few years, some churches have been investing in commercial banks and insurance companies, and constructing shopping centres and offices for rent.

Churches play significant role in cultivating moral values and ethical principles to fellow Christians. Churches were the first to start literacy programme in Ethiopia. For example, the Ethiopian Orthodox Tewahedo Church (EOTC) has over 15000 schools called *Nibab Bet* /ገጽ ገጽ/ which means- *reading houses* where students are taught religious texts such as Psalms in *Ge'ez* language. Writing (poetry, music, and liturgy) and arithmetic are also taught in addition to religion⁷.

2.2.2 Rationale for ethical investment

- Investment is central to growth and sustainable development that the churches undertake. It expands an economy's productive capacity and drives job creation and income growth across the structures of the headquarters of churches to congregations and units.
- The main purpose of churches' investment is to generate income sustainably primarily for the mission work such as church building, religious books production and distribution as well to pay salaries and related benefits to church leaders and employees.

⁷ Forslund, Eskil 1993. The Word of God in Ethiopian Tongues. Rhetorical Feature in the Preaching of the Ethiopian Evangelical Church Mekane Yesus.

- Diversifying ethical investment will enable C-CROs to become economically strong and provides opportunity to further strengthen their respective human resource and institutional capacity building.
- Ethical Investment could be a sustainable economic basis for multidimensional services that churches provide to society in Ethiopia. Ethical Investment provides the opportunity for Churches to preach Gospel to unreached people.
- Churches are believers and people from the communities. The investment that churches undertake will benefit communities and contribute to reduce unemployment burden across the nation.
- Ethical Investment by C-CROs surely becomes best practices of responsible investment from which investors outside of the church circle and government enterprises can learn from and replicate.
- Ethical investment that C-CROs undertake will have significant economic, social and environmental impacts and may also increase church's influence in the socio-political dynamics of the state.
- Ethical investment neither violates nor stood against Christian values and are well-articulated norms that can be spread widely across nations.
- The notion of giving whatever belong to a government is supported by religious beliefs. Taxes that are collected mainly utilized for the delivery of basic public goods (utilities) which help to improve the living conditions of the poor.
- Paying tax justifies fairness to hold the government accountable to become a democratic government and that respect human rights.
- This ethical guideline is non-prescriptive; there is no one size-fits-all approach to investment initiatives that will work for all C-CROs in all sectors and at all times.

3.Purpose of Ethical investment guidelines

Ethical investment is aimed at to achieve desired societal outcomes that align with ethics, social responsibilities and sustainable development. The purpose of the Ethical investment guidelines is therefore, to provide guidance for C-CROs' leadership to observe ethical and moral values, ensure good governance and sustainable development in the process of social and economic interactions. The recommended principles in the guidelines are aimed at supporting the bases for a distinctly Christian approach to investment, embracing screening, active stewardship, and alignment with the Church's teaching and values. The principles recommended are aimed at helping churches to avoid investing in companies that produce products that are against the social, moral, and religious values.

Specific objectives of the guideline

Ethical investment guidelines for an investment founded in the deep values and principles of Christianity should at least consider the following points:

- ▶ At all level of investment choosing investments that align with Christian values.

- ▶ It must be essentially rooted its strategies on ethically and social responsibilities.
- ▶ The nature and practice of investment shall exclude investment in companies that are deemed immoral, sinful, and addictive such as alcohol, tobacco, and weaponry companies.
- ▶ It must also avoid any fanatical craving for maximum profit and the guarantee returns.
- ▶ As much as possible competitiveness should value quality and public responsibility rather than those common risks of economic/rate of economic return, and geopolitical risks.
- ▶ Ethical investment should consider the value of competent leadership, (L.) not only for better result but also for a valid and trustful holistic return.
- ▶ Ethical investment should consider Moral and Ethical (E.) standards all the way through input, production process, output distribution, income generating and utilization of returns
- ▶ Ethical investment should consider in its center the significance of governance (G.) which is totally associated with the impact we exert on the image of the church
- ▶ And finally Ethical investment should consider sustainability (S.) as a strong pillar to see the future where the direction of the investment may yield.
- ▶ The guidelines reaffirm and strongly promote disinvesting of products that are against the social, moral, and religious values of churches.

The principles recommended are aimed at supporting the bases for a distinctly Christian approach to investment, embracing screening, active stewardship, and alignment with the Church's teaching and values. The principles recommended are aimed at helping churches to avoid investing in companies that produce products that are against the social, moral, and religious values.

4. Methodology and Processes of Developing Guidelines

4.1 Methodology

This guideline is based on the findings of ACAP-IV (Ethiopia) Country Study. The study covered four basic areas; Existing legislation and policies, ethics and human rights which are universally accepted values, governance that exist in the context of each denomination in particular and professional theories and practices in general, and finally the issue of sustainability which are well stated in the guideline.

Key objectives developed for L.E.G.S by Globethics.net were assessed during the Country Study early in March - May 2021 and the findings were presented at the ACAP-IV National Workshop early in August 2021. The status of the asset management and key objectives listed and each thematic area were used as study units and as well as themes for reporting the findings of the Ethical Investment Guideline.

In the process of developing ethical investment guideline L.E.G.S methodological framework was used to assess the extent churches and church related organisations have incorporated into their core work the key objectives related to leadership, ethics, governance and sustainability.

4.2. Faith-Based Investment Processes

As a separate category of investment, the term faith-based investing is frequently employed to explain two concepts:

1. Churches' direct involvement in ethical investment within the framework of its doctrine and mission;
2. Individual or group-based investment influenced by the faith it or they adhere to.

Apparently, the nature of investment did not change its fundamental philosophy which aims to maximize investor returns. In general terms any investment should at least consider the following elements:

- An investment involves putting capital to use today in order to increase its value over time.
- An investment requires putting capital to work, in the form of time, money, effort, etc., in hopes of a greater payoff in the future than what was originally put in.
- An investment can refer to any medium or mechanism used for generating future income, including bonds, stocks, real estate property, or a business, among other examples.

However, according to the Ethical Investment Guideline an investment founded in the deep values and principles of Christianity should at least consider the following points:

- ▶ At all level of investment choosing investments that align with Christian values.
- ▶ It must be essentially rooted its strategies on ethically and social responsibilities.
- ▶ The nature and practice of investment shall exclude investment in companies that are deemed immoral, sinful, and addictive such as alcohol, tobacco, and weaponry companies.
- ▶ It must also avoid any fanatical craving for maximum profit and the guarantee returns.
- ▶ As much as possible competitiveness should value quality and public responsibility rather than those common risks of economic/rate of economic return, and geopolitical risks.
- ▶ Ethical investment should consider the value of competent leadership, (L.) not only for better result but also for a valid and trustful holistic return.
- ▶ Ethical investment should consider Moral and Ethical (E.) standards all the way through input, production process, output distribution, income generating and utilization of returns

- ▶ Ethical investment should consider in its center the significance of governance (G.) which is totally associated with the impact we exert on the image of the church
- ▶ And finally Ethical investment should consider sustainability (S.) as a strong pillar to see the future where the direction of the investment may yield.

3. Limitation of the study

The process from the start up to the submission of this draft report took longer time than it was planned for. The nature of the study by itself demands the good will of the respondents to provide information on the subject of the study which usually cannot be achieved through online unless and otherwise the interviewer and the interviewee know each other to confidentially provide information. The experience on online interview is very limited, particularly in religious circles in Ethiopia and the hassle related to poor connectivity is another challenge.

Significant limitation to this study was that the number of females was only two out of 48 respondents. These two female respondents were among the 14 respondents of government offices. Female are not represented at leadership positions, not allowed to preach in some churches and are not entitled for ordination in most churches in Ethiopia.

Due to COVID-19, people feel discomforted to receive strangers in their office. Three of our respondents declined our appointments after they were tested positive.

The war in Northern Ethiopia also caused the date of the workshop to be postponed for three months (from mid of November 2021 to mid of February 2022).

6. Proposed Ethical investment guidelines

6.1 Legislation, human rights, environment

Frequently in many countries national investment policies deal with either in line with the adaptation of international policies or the creation new policy without contradicting global conventions. In 2015 Investment Policy Framework for Sustainable Development, officially launched at the Financing for Development Conference in Addis Ababa, provides guidance for policymakers in the evolution towards a New Generation of investment policies. The Investment Policy Framework consists of an overarching set of Core Principles for Investment Policymaking that serve as design criteria for three sets of operational guidelines or action menus: these are guidelines for national investment policies, guidance for the design and use of international investment agreements (IIAs), and an action menu for the promotion of investment in sectors related to the sustainable development goals. The UNCTAD Investment Policy Framework has served as a reference for many policymakers in formulating national investment policies and in negotiating investment agreements.

Consequently, this guideline has in it the consideration of national responsibility and scope that put into its level such national and global investment strategies and guidelines.

Given the above general framework of investment and various level, the study team exhaustively studied various National Investment Legislation and Guideline in general and focused on articles of investment proclamations relevant to Churches and CROs as well as CSOs. The findings of National Investment Legislation and Guidelines related to CCROs and CSOs was presented in the ACAP-IV Country Study Report and in the Workshop Proceeding of National Workshop in August 1-3/2021. The presentation was supported by various laws, regulations and guidelines feasible for CSOs and religious organisation involvement in investment where issues related to regulation and administration of investment initiatives in Ethiopia in line with the government legal framework for running businesses, requirement for environmental and social impact assessments, awareness on tax systems, observing labour laws, human rights issues, and concerns related to what types of investment are allowable for religious organisations.

What the guideline is and is not:

1. This proposed generic guideline does not replace existing C-CROs' constitutions, human and financial guidelines, strategic documents and administrative guidelines and employment contracts, etc.
2. This generic guideline is not a replacer of the government policies, legislations, regulations and directives of the government.
3. This guideline can be adopted to the situation of each church and church related organisations. It is not the type of "one size fits all".

6.1.1 Objectives of the Ethical Investment Guidelines

The principles recommended are aimed at supporting the bases for a distinctly Christian approach to investment, embracing screening, active stewardship, and alignment with the Church's teaching and values. The principles recommended are aimed at helping churches to avoid investing in companies that produce products that are against the social, moral, and religious values.

Specific Objectives of the guideline related to legislations, ethics and human rights

- To increasing the role of church-based investments in sustainable development.
- To ensure that the ethical investments the church and church related organisations (C-CROs) may undertake are aligned with the government laws, regulations and directives in the areas of environments, social and labour, human right protection, and tax and other financial regulations.
- To gear the ethical investments of C-CROs to contribute to the national economy development.
- To make ethical investments of C-CROs the best model that reflect Christian ethics, moral and values in Ethiopia in the area resource management, making corrupt system irrelevant and promote environmental and social concerns, creating a great alignment with the legislations and regulations from which others could learn.
- To ensure building of ethics, moral and values in the thinking, spiritual life and religious activities of individuals, community and system of governance
- Promote transparent, accountable, predictable and efficient investment activities across the C-CROs.

6.1.2 Scope of Application

The scope of this guideline focuses solely on direct investments that are carried out by Churches and Church Related organizations in Ethiopia. Nothing in this guideline derogates religious principles, ethical, moral and social norms of society. The guideline has been developed in alignment with labour laws, in line with the government requirements for investment promotion, ethical and human rights convention of the UN and those ratified by the Ethiopian government as

well as tax issues. The Guideline that has been developed in consultation with church leaders and other relevant government stakeholders was well scrutinised in line with national laws, regulations and directives to fit to the ethical investment churches and Church organisations could undertake.

6.1.3 Principles for Responsible Investment

The guideline needs to primarily take into consideration environmental, social, and corporate governance factors (ESG) as high issues of concern in planning processes, analysing and making decisions related to investment. Each C-CRO must include environment, social and governance issues in its strategic plan, investment policy document and human and financial resource management manuals and appropriate disclosure and reporting of non-financial information are critical issues (see section 6.5) for the success of any business initiatives. Churches shall seek appropriate disclosure on principles for responsible investment issues by the entities in which they invest. The C-CROs need to accept and implement of the principles within the investment industry that are feasible to ethics, values and operational procedures, but must ensure that their investments are free from corruption, money laundering and other economic crimes such as tax evasion etc.

As part of this guideline, the UN Principles⁸ for Responsible Investment shall be adopted by churches and church related organisations. Applying the principles provided hereunder may better align churches' investments with broader objectives of society. Churches shall work together to enhance effectiveness in implementing the principles. Any other principles developed by churches shall reflect the increasing relevance of environmental, social, and corporate governance issues to investment practices. The Churches shall encourage other investors to adopt the principles for responsible investment.

⁸ UN Principles for Responsible Investment:

Principle-1: We will incorporate environmental, social, and corporate governance factors (ESG) issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the principles.

Principle 6: We will each report on our activities and progress towards implementing the principles.

6.1.4 Areas of Investment Recommended for Churches and CROs

Church-CROs need to identify areas of investment they want to promote having in mind the societal benefit as primary objectives. They may also scale up common areas such as social services like education (from kindergarten up to universities) and health (from health centres up to referral hospitals) or constructing of business centres and hostels for rent in the towns. C-CROs can also participate in high value crops production, agricultural processing industries. But there are also opportunities to invest in small scale industries or even establish industrial zone, import and exports, bank and insurances.

Once C-CROs are convinced to invest, they can prepare investment projects and business plan and submit to concerned government bureaus to secure plots for the establishment if they do not have enough land for the investment projects. They have to apply for business licenses and tax payer identification number (TIN) and trade permits from government authorities before setting up any physical structure for the investment. Churches must ensure that any investment initiative promotes sustainable environmental practice, fairly treat for customers and suppliers, responsible and responsive to employment related legislations and practices.

Investment enterprises that the C-CROs promote should consciously respect, protect and fulfill human rights and sensitive to the needs and priorities of the communities in which they operate. Though fair economic returns from investment are expected, the ambition to drive maximum profit at the loss of others should be avoided. Churches and Church related Organisations need to ensure all investment projects are scrutinised through lenses of Christian ethics and values to align with the vision, mission, credibility, effectiveness and unity of the Churches.

Investments that are undertaken by C-CROs must not have share of any forms with corporates that are known for their misconduct such as corruption, violation of human rights (social practices that are against the Christian value and moral, child rights abuse, inequality of gender in all its forms and manifestation) and degradation of natural resources, damage to cultural and in heritage sites.

6.1.5 Guidelines adherence to Human Rights

The nature of churches and church related organisations are operational at community levels where the awareness on human rights issues is limited. The churches usually speak at preaching pulpits about the words of God to congregants who probably have no exposure to the protection, respect, fulfilment of human rights at home, C-CROs, community, national level and international levels. Therefore, churches have the responsibility to raise the awareness of their members on human rights norms and how to respect, protect and also fulfill them.

- ▶ The Churches shall recognize that they have a responsibility to ensure that international human rights norms are respected by the companies (industries, real Estates, insurance etc.) in which they invest, and across their business relationships.
- ▶ Church based investments shall demonstrate consciousness with regards to human rights through an active commitment to ensure that they prevent or mitigate the risk of adverse impacts on human rights in all their activities.
- ▶ Churches shall commit themselves to ensure that their stewardship and engagement activities focus on salient human rights considerations. They have to ensure that their investments do not involve in human rights abuses.
- ▶ Churches are encouraged to have human rights-based policies, which set out their respective approaches towards managing and minimizing the risk of human right abuses in their entities and their supply chain.
- ▶ Churches have to ensure that their investments may not violate the right of women and the child, whenever it is found necessary, they need to apply affirmative action in favour of women, such as at the time of recruitment, reduction of workforce⁹ and termination of employment other than reduction.
- ▶ The church-based investments need to have a grievance handling mechanism for human rights related concerns to be raised and to provide remedy where they cause or contribute to harm. This ought to apply throughout its operations and supply chains.
- ▶ C-CROs need to confront human rights abuses and become the voice for the voiceless.
- ▶ C-CROs have to collaborate with human right organisations and National Ombudsman Office, religious networks and inculcate Christian ethics in all its ministries and investment and humanitarian programmes.

6.1.6 Environmental Protection

Corporations established by churches shall carry out their activities in accordance with national laws, regulations, administrative practices and policies relating to the preservation of the environment of the area in which they operate and with due regard to relevant international standards.

⁹ As provided under Article 29 of the Labour Proclamation “reduction of workforce” means termination of workforce of an undertaking for any of the reasons provided for by Article 28 (3) of the Labour Proclamation (direct and permanent cessation of the worker’s activities; demand fall for the products or services of the employer resulting in the reduction of the volume of the work or profit of the undertaking and thereby requiring termination of a contract of employment; and A decision to alter work methods or introduce new technology with a view to raise productivity resulting in termination of a contract of employment) affecting a number of workers representing at least ten percent of the number of workers employed or, in the case where the number of workers employed in an undertaking is between twenty and fifty, termination of at least five employees over a continuous period of not less than ten days.

- ▶ Their environmental concern shall focus on protecting, developing and then using the environment for the sake of the environment itself and the basic values of the churches.
- ▶ Church based investments shall protect the environment and, where damages happen, to restore it to the extent appropriate and feasible.
- ▶ In addition to this, churches shall implement an environmental impact assessment before commencing investment and follow up as appropriate.
- ▶ Church shall adopt pro-environmental management system.
- ▶ Churches and Church Related Organisations shall freely disclose information on the enterprises environmental policy and compensate for the damage caused and restore the environment to its original state.
- ▶ Churches shall secure guidelines for sustainable use of water resources and energy, and develop waste management system.
- ▶ Churches shall strive to generate income from the protected and developed environment.
- ▶ Churches shall work to avert the impacts of climate change and strengthen sustainable natural resource management through safeguarding landscapes and watersheds and enhance sustainable forest management.

6.1.7 Labour Rights and Church Based Investments

The church-based investment entity as an employer shall, within 15 days from the conclusion of the employment contract, give the worker a written and signed letter containing the following elements:

1. The name and address of the employer;
2. The name, age, addresses, and identification card to the worker;
3. The agreement of the contracting parties/the contract of employment shall specify the type of employment and place of work, the rate of wages, method of calculation thereof, manner and interval of payment and duration of the contract and clearly specify other benefit packages such as pension, insurance, medical coverage, annual leaves or flexy days; and
4. Churches shall provide a legal contract with official signature of the contracting parties.
5. Churches shall make sure that their investments are providing work to the worker in accordance with the contract of employment.
6. Churches shall make sure that their investments are providing the worker with implements and materials necessary for the duty he/she performs.

7. The C-CROs must provide well defined job description, magnitude of work with clearly specific tasks and indicators so that these make performance assessment easy.
8. The churches shall make sure that their investments are paying the worker wages and other benefits in accordance with the Labour Proclamation or the collective agreement. The church-based investment entities shall neither hinder establishment of trade union nor discourage employees from membership in the trade unions.
9. The churches shall ensure that the wage being paid is enough to lead a decent life and covers costs of basic needs.
10. The churches shall make sure that their entities are respecting the worker's human dignity, show Christian love/passion and care giving to each and every employee. C-CROs need to build the competence of the employees (whether they are senior professionals, leaders, pastors or drivers or secretaries or other type of workforce) through various on-job-training, short course, treating employees with respect and appreciation usually benefits the C-CROs ensures employees' sense of belonging to the recruiting institutions.
11. Churches shall ensure the development of sustainable and suitable working condition to all employees of the undertaking. The church-based investment entities should not use child labour and must ensure the same to be implemented by their supply chains. The church-based investment entities shall abide by national laws relevant to social and labour related matters.

6.1.8 Sustainability of the Investment

Churches shall take all necessary measures to ensure the sustainability of their investment. C-CROs need to undertake feasibility studies in areas such social, cultural, environmental (both physical and natural), technical, financial, economic, technological, political environment for investment conducive for churches. Churches and church related organisations must also assess the relevance of the investment with the ethical, moral and value of the church and its perspective in relation with economic returns. The investment ideas need to be scanned in line with establishment cost, the capacity of the church to manage, its economic prospect for the churches as well as its alignment with the core work for which they are exist. Churches need to put in place a transparent and accountable governance system before they consider ethical investment and also have adequate preparation in terms of human resource and materials. Those

churches with limited capacity and have no investment exposure should start with small scale investment and scale up gradually based on the positive results achieved.

6.1.9 Miscellaneous Provisions

1. Churches shall develop code of conducts to be applied in their investments. The code of conduct shall cover human right issues, grievance handling procedure and dispute resolution, labour relations, environmental protection and ethical engagement in trading activities. The code of conduct shall cover issues related to governance of entities, election of board of directors, terms of service, power and function of the board.
2. Churches shall resort to Alternative Dispute Resolution mechanisms when there is a dispute emanating from the investment activities.
3. Churches shall develop a system that helps to boost check and balance in the entities.
4. Churches shall cooperate and establish partnership with relevant organisations, such as law enforcement organs, universities, CSOs working on human right. The cooperation mechanisms and platforms may help them to transfer and impart basic knowledge to understand the implication of legislations, compliance and to positively engage in ethical investment.

6.2 Effective Ethical Leadership for Ethical Investment

Defining principles of effective leadership are countless, just to mention some:

- Effective leadership begins with the fundamental ability to believe in oneself.
- It incorporates a maturity, principle and proficiency that transforms into the determination and direction.
- It is the clarity of vision that provides the leaders the confidence to adopt the role of instilling motivation, self-esteem and teamwork. As visionaries, they are disciplined thinkers and have confidence¹⁰.

“One of the key objectives in leadership studies is to understand what makes a leader effective. The role of leader is unique in that a leader’s competence or incompetence potentially benefits or harms others. From an ethical point of view, being an ethical, incompetent, leader can be just as bad as being a competent, unethical leader”¹¹.

¹⁰ Vojta, M. (n.d.). **Characteristics of the Effective Leader**. Retrieved by Dr. Radhika Kapur August 30, 2020 from tnstate Edu.

¹¹ Ciulla, Joanne B. “Ethics and Effectiveness: The Nature of Good Leadership,” in *The Nature of Leadership*, 3rd edition. Eds. John Antonakis and David Day, Thousand Oaks, CA: Sage, 2018, 439–467.

Even though humanity cannot do everything in the manner of God, but has the responsibility to play the same role in taking care of and providing all that is needed for the creation so that God's creation would continue in the same line God wants to be.

As for the rich in this present age, charge them not to be haughty, nor to set their hopes on the uncertainty of riches, but on God, who richly provides us with everything to enjoy. They are to do good, to be rich in good works, to be generous and ready to share, thus storing up treasure for themselves as a good foundation for the future, so that they may take hold of that which is truly life. *(1 Timothy 6:17-19)*

Effective leadership is characterised with vision that can be translated into reality. Leadership has competences – knowledge and skills:

Churches are usually reluctant to do business and to participate in investment as these are not their call in the past. Now churches have been building Development Evangelists with great leadership abilities that possess attributes (beliefs, values, ethics, character, knowledge, courage and skills) that make church people realise their objectives and follow them. They provide a feeling of trust. They create and set goals and can clearly state visions that subordinates and peers are motivated to accomplish.

Churches now have leaders that can develop high-performance teams that come together to collaborate on a common mission or goal for promoting church investment.

Church members are the “economic power house” of the church investment. Steward leaders need to deliver their responsibility of guiding the churches investment to new heights. Investment leaders have to communicate church leaders through board or using other avenue to discuss when things go wrong without blame shifting to others. Analyze the situation, taking corrective action using good problem-solving methods, and making timely decisions, and keeping concerned people are informed do pave avenue to run the investment smoothly.

“Leaders can do far more than just make their own behavior more ethical. Because they are responsible for the decisions of others as well as their own, they can dramatically multiply the amount of good they do by encouraging others to be better. As a leader, think about how you can influence your colleagues with the norms you set and the decision-making environment you create”¹². In general terms leadership means creating, planning, and securing resources. Christian leadership is expected to be an exemplary.

The purpose of this guideline is to provide guidance for C-CROs' leaders implementing ethical investment in the context of the churches and church related organisations and conceptually understand their roles and how to operate in ethical ways in diverse and competitive investment climates.

The three main attributes of “Steward Leaders”¹³ identified are:

1. **Leading with impact:**
 - ▶ Steward leaders focus on promoting high levels of employee involvement, that is, having employees who are engaged and motivated at work.
 - ▶ These employees feel empowered and have a sense of pride in their work as well as the organisation.
 - ▶ At the same time, such leaders are able to earn the respect and trust of their employees by demonstrating high moral and ethical standards.
2. Understanding corporate stewardship, governance and sustainability
 - ▶ Safeguarding the future of the organisation,
 - ▶ In order to safeguard the organization’s future, steward leaders excel at managing risk as they aim to balance the interests of shareholders as well as other stakeholders for the long term.
3. **Driving towards the greater social good**
 - ▶ The ultimate objective of steward leaders is to work towards the advancement of the society and environment.
 - ▶ With a strong ethical focus and commitment to demonstrate responsible leadership, such leaders are conscientious and empathetic, and they work diligently towards the welfare of the community
 - ▶ Steward leadership is based on long-term orientation and broader social responsibility

Role of the Leader in Promoting Stewardship¹⁴

Mohrman, O’Toole, and Lawler III (2017) identified four key roles of a leader in promoting stewardship behaviour. They are:

Mission, vision or value statements: Such statements are the key in making the employees understand the goals and objectives of the organisation highlighting the fact that the organisation will proactively take care of the interests of all stakeholders.

Role model of behaviour within the organisation: Leaders themselves must act as role models of behaviour within an organisation. Implementation being the key factor - when the employees view the leader as acting like a steward, they also tend to behave in a similar manner.

¹³ Professor S. Viswanathan, Professor Kapil Verma, teal 2020. Understanding Corporate Stewardship, Governance and Sustainability A LANDSCAPE STUDY, Veena Nair (ed). Stewardship Asia Research Paper Series. RESEARCH PAPER SERIES 01

¹⁴ Ibid

Hiring and promotion decision: It is well known that whatever is rewarded gets done. Leaders promote stewardship culture by hiring the right kind of people in the first place, and then ensuring that promotion decisions are taken after giving weightage to the stewardship behaviours enacted by the employees at all levels.

Rewarding ethical behaviours: Leaders can inculcate an ethical culture by rewarding ethical behaviours, e.g by appreciating the efforts of whistle-blowers in an organisation.

To execute the investment initiatives, it starts, first, by willingly to submit oneself to God and His words correctly as well as equipped with the following quality of leadership:

1. Churches and Church Related Organisations need to select and train competent leaders to maximum societal outcomes and to ensure competitive green economic growth.
2. The leaders require for ethical investment as well as for other duties in the church professionals committed themselves to ethical code of conduct with high degree of sociability, effective in interpersonal-relationship and active listeners, team-playing, those who promote collaboration and develop partnership with like-minded organisations, dependable, trustworthy, honest, incorruptible, competent, inspiring, and visionary¹⁵.
3. Ethical investment competent leadership succession plan needs to be in place by C-CROs so that attractive financial returns from the investment is obtained.

Strategic plan: Leadership moves to the direction that organisations envision. The roadmap showing the direction of the organisational visions and mission is strategic plan. Churches-Church Related Organisations need to clearly state vision, mission and define strategic issues taking into account internal and external dynamics of socio-economic, cultural, technological, environmental, human rights, religious values and political atmosphere in the country. Strategic plan needs to be updated every 3-5 years, but with an indication of long-term goals of at least 10-20 years. Project business plan, guidelines on administration, finance, operational and management need to be in place. Emerging opportunities and lessons as well as risk mitigation strategies should be included in annual plan of the project.

Human Resource management. Most Churches and almost all church related organisations have human resource and financial manuals and use modern financial systems.

The results of the study conducted in relation to dedication of persons to manage the human resources, availability of employment policy and procedures, working conditions based on national laws, and job description indicated that CCROs have these conditions in place as principle. However, when it comes to functionality, there are some gaps.

Employment policy and procedures

¹⁵ Tunji, J. (2022). Trust: An Essential Factor for Effective Leadership and the Development of an Exemplary Organization. *Academia Letters*, Article 4718. <https://doi.org/10.20935/AL4718>.

- Qualification, experience, dedication of Human Resources Manager
- Alignment C-CROs' Employment policy with federal laws, regulations and guidelines
- Status of due diligence and implication to ethical investment
- Skills and Competence: Training and its objectivity (on job training, competence building, skill development etc) and the challenge of follow up during implementation
- Record keeping and culture of documentation of lessons

In general, most churches need to improve the management of human resources, particularly on time management and performance related issues so that the objectives of Ethical Investment will be achieved.

6.3. Ethical investment Guidelines and Principles

6.3.1 Principles for Responsible Investment

As part of this guideline, the UN Principles for Responsible Investment shall be adopted by churches and church related organisations. Churches and church related organisations shall ensure their investment and holdings are free from corruption, money laundering and other economic crimes. Applying the principles provided hereunder may better align churches' investments with broader objectives of society. Churches shall incorporate principles for responsible investment issues into investment analysis and decision-making processes. Churches shall be active owners and incorporate principles for responsible investment issues into their ownership policies and practices. Churches shall seek appropriate disclosure on principles for responsible investment issues by the entities in which they invest. Churches shall work together to enhance effectiveness in implementing the principles. Any other principles developed by churches shall reflect the increasing relevance of environmental, social, and corporate governance issues to investment practices. The Churches must and also shall encourage other investors to adopt the UN principles for responsible investment.

Principle-1: We will incorporate environmental, social, and corporate governance factors (ESG) issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the principles.

Principle 6: We will each report on our activities and progress towards implementing the principles.

6.3.2 Ethical investment principles

Ethical investment is the practice of using Christian moral/ethical principles as the primary values in the investment at individual and institutional level. Our Ethical investment guideline is completely dependent upon Christian moral/ethical principles. Therefore, ethical investing is the practice of selecting investments based on ethical or moral principles. In defining an investment strategy, the investor's ethical values (moral, religious, social) are the primary objective, along with good returns. Such selections are based on ethics. And the final analysis of investments according to ethics should also include reviewing whether the actions align with our commitment to ethics and the historical, current, and projected performance that rendered to the public service.

Ethical business behaviour is not only about good business but about good citizenship as well. Morally conscious businessmen have created names and built great business empires. They serve customers with good quality products at fair prices, treat their employees with great respect, reward their shareholders with good returns and pay their taxes honestly. Ethical policies and practices enable a business enterprise to build goodwill for itself. A business organisation that adheres to a code of conduct gains a competitive advantage and builds long term value. On the other hand, unethical practices lead to the ultimate downfall of big organisations too. Business can prosper only when a society is stable and peaceful.

Ethical investment is the practice of using Christian moral/ethical principles as the primary values in the investment at individual and institutional level. Our Ethical investment guidelines is completely dependent upon Christian moral/ethical principles.

Therefore, ethical investing is the practice of selecting investments based on ethical or moral principles. In defining an investment strategy, the investor's ethical values (moral, religious, social) are the primary objective, along with good returns. Such selections are based on ethics. And the final analysis of investments according to ethics should also include reviewing whether the actions align with our commitment to ethics and the historical, current, and projected performance that rendered to the public service.

- 1. HONESTY.** Ethical investments deserve honest and truthful in all their dealings and they do not deliberately mislead or deceive others by misrepresentations, overstatements, partial truths, selective omissions, or any other means.
- 2. INTEGRITY.** Ethical investments demonstrate personal integrity and the courage of their convictions by doing what they think is right even when there is great pressure to do otherwise; they are principled, honorable and upright; they will fight for their beliefs. They will not sacrifice principle for expediency, be hypocritical, or unscrupulous.

- 3. PROMISE-KEEPING & TRUSTWORTHINESS.** Ethical investments are worthy of trust. They are candid and forthcoming in supplying relevant information and correcting misapprehensions of fact, and they make every reasonable effort to fulfill the letter and spirit of their promises and commitments. They do not interpret agreements in an unreasonably technical or legalistic manner in order to rationalize non-compliance or create justifications for escaping their commitments.
- 4. LOYALTY.** Ethical investments are worthy of trust, demonstrate fidelity and loyalty to persons and institutions by friendship in adversity, support and devotion to duty; they do not use or disclose information learned in confidence for personal advantage. They safeguard the ability to make independent professional judgments by scrupulously avoiding undue influences and conflicts of interest. They are loyal to their companies and colleagues and if they decide to accept other employment, they provide reasonable notice, respect the proprietary information of their former employer, and refuse to engage in any activities that take undue advantage of their previous positions.
- 5. FAIRNESS.** Ethical investments are fair and just in all dealings; they do not exercise power arbitrarily, and do not use overreaching nor indecent means to gain or maintain any advantage nor take undue advantage of another's mistakes or difficulties. Fair persons manifest a commitment to justice, the equal treatment of individuals, tolerance for and acceptance of diversity, they are open-minded; they are willing to admit they are wrong and, where appropriate, change their positions and beliefs.
- 6. CONCERN FOR OTHERS.** Ethical investments are caring, compassionate, benevolent and kind; they like the Golden Rule, help those in needs, and seek to accomplish their business objectives in a manner that causes the least harm and the greatest positive good.
- 7. RESPECT FOR OTHERS.** Ethical investments demonstrate respect for the human dignity, autonomy, privacy, rights, and interests of all those who have a stake in their decisions; they are courteous and treat all people with equal respect and dignity regardless of sex, race or national origin.
- 8. LAW ABIDING.** Ethical investments abide by laws, rules and regulations relating to their business activities.
- 9. COMMITMENT TO EXCELLENCE.** Ethical investments pursue excellence in performing their duties, are well informed and prepared, and constantly endeavor to increase their proficiency in all areas of responsibility.
- 10. LEADERSHIP.** Ethical investments are conscious of the responsibilities and opportunities of the position of leadership and seek to be positive ethical role models by their own conduct

and by helping to create an environment in which principled reasoning and ethical decision making are made.

11. MORALE. Ethical investments protect and build the churches good reputation and the morale of its employees by engaging in no conduct that might undermine respect and by taking whatever actions are necessary to correct or prevent inappropriate conduct of others.

12.ACCOUNTABILITY. Ethical investments acknowledge and accept personal accountability for the ethical quality of their decisions and omissions to themselves, their colleagues, companies, and their communities.

6.4 Ethical values and foundations

6.4.1 Universal Values and Conventions

The word ethics is related with the ability of doing right and wrong, which deals with the study of moral and rules. Ethics focuses on what is good for the life of the human being. Ethics is all about living and demonstrating the word of God in practical life. It is Deontological, which place special emphasis on the relationship between duty and the morality of human actions without harming others, do Not Steal, God fearing, keeping promise, not cheating, without falsification, with respect, with quality, no forgery, good relation. (Matthew 7)

Ethics is among the four pillars of L.E.G.S, probably the most critical one for others three pillars to meet intended results in strictly ethical investment endeavours and achieve societal outcomes such as improved well-being of individuals in society, environmental and governance issues.

- The customer or the subject is the King/Queen not because it is the source of income but it is the one who sheared the income.
- **Stewardship** - We are stewards of God's creation, which it is our responsibility to nurture, respect, preserve and protect for future generations.
- Immoral money, from sin, gambolling, stealing, is not acceptable, Proverbs 15:8 The sacrifice of the wicked is an abomination to the LORD, but the prayer of the upright is His delight.
- **Corporate Social Responsibility** - Businesses must be responsible not only to their shareowners but to all stakeholders. These include employees, communities, the environment and the public
- **Human Dignity and Sacredness of Life:** the value of life in Christianity is beyond dignity, the church is there to sanctify, and hence anything including the economy exists to serve the human person, not the other way around.
- **Responsible Ownership** - Ownership of capital should be used to promote corporate social responsibility and the common good.

- **Holistic Justice** - Ethical investment raised economy is measured by the values in which we gave to the fairness, and outreaching to the equitability and equality as a whole.
- **Shared Prosperity** - Wealth is a gift to be shared, and work must be fairly and justly rewarded. One of the major components that makes ethical investment unique and Ethical is its foundation

A commitment by ethical leadership to follow an ethical code of conduct confers a variety of benefits. An effective ethics programme requires continual reinforcement of strong values. Organisations are challenged with the task to make their employees live and internalize ethical codes and values. To ensure a right ethical climate, a right combination of spirit and structure is required. Hence this foundation shall be established firmly, reliably and sustainably.

In making ethics work in an organisation, it is important that there is synergy in vision statement, mission statement, core values, general business principles and the code of ethics. “Organisational ethics is much needed to stress the importance of sustainability, social development, stakeholders and consumers satisfaction. It is an orientation to provide a valuable service and not profits. Ethics, point out what is good and what is bad and also what is right or wrong. It brings to the notice of the business community the importance of honesty, sincerity and fairness which makes them alert and socially conscious. It reconciles conflicting interest of various sections of the society such as workers, shareholders, consumers, distributors, suppliers, competitors and government and thus, expedites a better relation between business and the society”¹⁶.

Ethical investment will attain superiority if its investment journey is put into practice the general rules and ethical principles applied to the global marketing and service giving must be put in place. This will help us to mutual understand not only within the inclusion of once own religious community but also with other faith-based and secular atmosphere. The implementation of common business ethics and principles is an effective moral means of communication with all common partners;

Universal values also lead us to recognize Interdependence, hence in the planning and governance aspect of the Ethical investment strategy and design process, and by expanding the scope of interest beyond the confines of a specific areas and targets it is useful to include neighboring communities, government, the local watershed, and beyond. Just like the great commission that addresses the limits of time and space; church ethical investment should be unlimited.

Universal values by far reach in to the scope the entire cosmos; obviously Humans and Nature Co-exist; hence, by incorporating natural principles and practices, investment can deliver a sustainable symbol. Humans have the capacity to restore the natural systems to greater health

¹⁶ Study Material Professional Programme Ethics, Governance and Sustainability module II APER 6, ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003, **website** www.icsi.edu

through effective ethical investment planning, implementation and management. Create Value, such as maximizing economic service value is vital to the success, and overall sustainability. Efficient and effective means of production, distribution, and consumption have a direct economic impact on success. Minimizing waste and misusing along with cost control practices, asset management throughout the investment are vital to optimizing sustainability.

One of the most unforgettable elements of universal ethical principle is sharing; it is through this human principle that we maximize livelihood, standard of life of humanity, flow of knowledge, mutual development and sustainable ethical investment that has perfect leadership and governance. Therefore, any ethical investment strategy, policy and guideline has to consider the global contexts.

6.4.2 Sources of funds for Churches' investment

Churches receive substantial sums of financial support from regular cash gifts (offerings, tithes, special fund-raising occasions, and other contributions) from members and other charitable individuals or organisations. Churches may receive support arrives free of donor-imposed restrictions to cover the running cost of day-to-day operations. However, churches also receive project specific grants which is substantial amount of donor-restricted support to fund special projects and activities, such as building construction, benevolence and mission programs.

Churches and Church Related Organisations need to allocate funds from its internal sources for investment. To scale up investment, churches should make savings setting aside unrestricted funds to create substantial pools of assets for investment by efficiently using human power, reducing redundant posts, selling old equipment and vehicle, increasing annual income sources through various fund-raising strategies. Other sources of financing for the investment project could include bequests (charitable trust arrangements and endowments). There could be also loan from bank based on collateral can be another may the least option to generate investment funds. Member of churches are usually willing to give money to churches, provided the core work of the churches goes well and governance system is transparent and accountable.

6.5 Ethical Investment and Governance system

6.5.1 Concept and definition of Governance

Governance can be defined as: “The system by which entities are directed and controlled. It is concerned with structure and processes for decision making, accountability, control and behaviour at the top of an entity. Governance influences how an organisation’s objectives are set and achieved, how risk is monitored and addressed and how performance is optimised”¹⁷. Governance is a system and process, not a single activity and therefore successful implementation of a good governance strategy requires a systematic approach that incorporates strategic planning, risk management and performance management.

¹⁷ <https://www.governancetoday.com/GT/Material/Governance>

Corporate Social Responsibility is the commitment of business to contribute to sustainable economic development, working with employees, their families, local community and society at large to improve their quality of life.

Corporate Citizenship is defined by a clear call for *environmental, social* and *governance* responsibility-the three pillars of sustainable business. It links directly to three fundamental functions of boards and their directors' duties to the business enterprises and stakeholders they serve by protecting the stakeholder rights and interest, managing risk and creating business values.

A new generation of corporate governance is emerging in series of generation that include: **First generation** that has been focused on legal issues, structures and individual competencies and independence, **second generation** capitalizes on stakeholder engagement as new models of accountability, and **third generation** attributes to governance for sustainability. The third generation sees the 'entity' as the full value-chain to which oversight is needed and performance needs to be measured, the boards need to reflect different stakeholder interests, and competencies must go beyond technique and industry experience in demonstrating receptivity to new agendas.

One of the critical issues for the realization of ethical investment is to have in place system and structures, and implementing good governance. For implementing good governance, Churches and church related organisations should have to undertake as a priority for the sustainability of the business initiatives.

- 1. Governance policy:** Each C-CROs need to have in place vision, mission, values and develop code of ethics for leaders, and line managers as well as employees to follow as principle to be observed at their workplaces to enhance interpersonal relationship, improve performance and to become a role model for others.
- 2. Structure and process:** Ensure appropriate governance structure and processes, independence of board, and disclose the members of the board, and key executives and their remuneration to enhance transparency and accountability.
- 3. The rights of stakeholders:** Ensure equitable treatment of all shareholders, business management to function in an efficient and transparent manner, put in place mechanisms to include the rights of the minority and people with disabilities.
- 4: Disclosure and transparency:** Disclosure of the financial and operational results of the organisation. These include revival of financial reporting and focusing on the corporate governance issues. The other important issues that usually overlooked in reports are the disclosure on non-financial performance and material risks. Reporting of non-financial information are critical issues for the success of any business initiatives. These issues include reporting on reputation, brand, trust, credibility, integrity, intellectual capital, customers, loyalty, risk management, social and environmental responsibility which C-CROs need to pay attention alongside the financial reporting. Both the results of internal

and external audit and independent auditors need to be disclosed to ensure greater financial transparency.

Among the success measures of ethical investment, understanding of the relationship between good governance and sustainable growth, and the roles of different stakeholders, considering to governance from the macro to the micro level, and implement Good Governance practices efficiently. Building transparency and thus trust in order to make the enterprise competitive in accessing financing to capture the opportunities of implementing corporate governance can ensure to implement more sustainable business models that will sustain a profitable enterprise.

The fundamental reasons why organisations should adopt good governance practices include:

- ▶ To preserve and strengthen stakeholder confidence, generates benefits for the organisation through social and emotional support, intangible but very valuable attributes that all organisations should strive to achieve and sustain;
- ▶ To provide the foundation for a high-performing organisation: the achievement of goals and sustainable success requires input and support from all levels of an organisation.
- ▶ It is a system that provides the framework for planning, implementation and monitoring of performance
- ▶ It enables the achievement of the best performance and results within existing capacity and capability,
- ▶ To support management and staff to be “the best they can be”; and
- ▶ To ensure the organisation is well placed to respond to a changing external environment
- ▶ governance encompasses the processes by which organisations are directed, controlled and held accountable.

Why Governance: The methodology developed to frame the topics of ethical investment and sustainable assets management for CROs has been coined around 4 key pillars referred to as L.E.G.S as principles in order to instill the thinking and practices on Leadership, Ethics, Governance and Sustainability in their institutions.

- Governance (according to the frame of LEGS) is aimed at establishing a strong legal and governance system in the Church and Church Related Organizations.
- Governance is crucial as it sets the level of transparency and accountability of the institution and provides confidence to investors and stakeholders in its ability to respect the laws and capacity to manage its properties and assets and related investments program/ projects according to a given legal framework as well as to align with UN SDGs 2030.

6.5.2 Legal Framework for Investment Governance

Care for all Stakeholders: Ethical Investment must consider that investment promoters should respect the interests of, and be responsive towards all stakeholders, including management staff, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them. They should develop mechanism to actively engage with all stakeholders, inform them of inherent risks and mitigate them where they occur.

Ethical functioning: Their governance systems should be underpinned by Ethics, Transparency and Accountability. They should not engage in business practices that are abusive, unfair, corrupt or anticompetitive.

Respect for Workers: Rights and Welfare: Investment should provide a workplace environment that is safe, hygienic and humane and which upholds the dignity of employees. They should provide all employees with access to training and development of necessary skills for career advancement, on an equal and nondiscriminatory basis. They should uphold the freedom of association and the effective recognition of the right to collective bargaining of labour, have an effective grievance redressal system, should not employ child or forced labour and provide and maintain equality of opportunities without any discrimination on any grounds in recruitment and during employment.

Respect for Human Rights: investment should respect human rights for all and avoid complicity with human rights abuses by them or by third party.

Respect for Environment: Investment should take measures to check and prevent pollution; recycle, manage and reduce waste, should manage natural resources in a sustainable manner and ensure optimal use of resources like land and water, should proactively respond to the challenges of climate change by adopting cleaner production methods, promoting efficient use of energy and environment friendly technologies.

Activities for Social and Inclusive Development: Depending upon their core competency and business interest, Church Investments should undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of their operations. These could include: education, skill building for livelihood of people, health, cultural and social welfare etc., particularly targeting at disadvantaged sections of society such people with disability, marginalised and minority.

It is the responsibility of the Legal Officer and its major duties are:

- Establish all legal procedures for all the businesses and functions of the organization according to local laws
- Ensure compliance with all statutory laws and by-laws of all the institution
- Register and protect legally all C-CROs' properties

6.5.3 Financial Management

Financial management is the Responsibility of Financial Officer following operational Ethiopian financial laws, each organisation's financial manuals and guidelines as well as accredited international financial laws and accepted principles. The following can be made available to ethical investment run by the C-CROs.

- Establish strong financial policy and accounting procedures (e.g signing authority, payment requests, approval processes, standard forms, etc.) according to local and international laws and standards
- Set-up a sound financial management system for recording and tracking payments including daily small transactions such as petty cash
- Develop clear procedures and guidelines for the management of grants/donations
- Use modern & sustainable finance approaches to raise funds e.g crowd funding, impact investing, etc.
- Formalize institutions' local and international banking accounts
- Plan your annual and mid-term budget
- Conduct monthly/quarterly review of expenditures against planned budget across all functions
- Undertake annual consolidated financial reporting

6.5.4 Annual Audits

The periodical and annual Audits is a Responsibility of the Internal Auditor, hence the auditor shall perform and regularly:

- Set up an internal audit function within the institution
- Assign clear mandates to the internal auditor to conduct regular audits of the institution
- Include the internal auditor in project committee e.g ethics and sustainability committees, assets committees, investment committees, etc.
- Select an external auditing firm to do the revision of your annual accounts

6.5 Social issues and Community Assets

Training and Capacity building: the training and capacity building aspect should always integrate ethical training and professional workmanship, the ethics of work and dignity of human labour.

Reduction of unemployment and enhancement of knowledge transfer: ethical investment is effective when it involves reduction of unemployment which is one of the most destructive social evil.

Livelihood improvement: Ethical investment should be attached to the scheme of engagement that benefit the marginalised, the rural poor, women, youth by creating alternative livelihood and encouraging productivity and job creation

Social inclusion: Individuals or group of people can be excluded or marginalized based on their lifestyle, location, ideology, skin colour, ethnicity, etc. Street children, homeless individuals, people with mental sickness, individuals and community that live in poverty-stricken part of our country are those whom the churches are morally obliged to support and become the voice for.

Gender justice: Gender justice is a human right issue that is equally respected for men and women, boys and girls. Every human is entitled to live in dignity and in freedom, without any fear. Gender Justice is indispensable for development, poverty reduction, and it is crucial to achieving human progress.

Disability: The disability community is rapidly evolving to using identity-first language in place of person-first language. This is because it views disability as being a core component of identity, much like race and gender. In recent years, lawmakers have increasingly recognized the urgent need to break down barriers to employment, upward mobility, and economic security for people with disabilities.

Child Labour: The work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. The work that is mentally, physically, socially or morally dangerous and harmful to children; and/or interferes with their schooling by: depriving them of the opportunity to attend school; According to the Guidance for governments on some hazardous work activities which should be prohibited is given by Article 3 of ILO Recommendation No. 190.

Migration and human trafficking - Labour migration from Ethiopia mainly to Gulf Countries, Northern African and further to Europe in recent decades has been in massive influx. Women constitute a higher proportion of migrants as they are considerably more in demand for domestic work in Gulf countries, but youth (mainly male usually take northern routes to cross Mediterranean Sea to Europe. Women and girls are particularly vulnerable to trafficking and irregular migration as they might accept any employment offer even if it entails risks.

Technology, (being a development Partner of the Society): It is the application of scientific knowledge to the practical aims of human life or, as it is sometimes phrased, to the change and manipulation of the human environment, advancement in technology without affecting the ethical values of the church can be instrumented.

Corruption is eating the economy of Ethiopia and many countries in Africa. Ethiopia probably one of the countries that mainly generate high income tax from employment sector. The business sector of multimillion pays less tax to average employed person. The money that should have gone to the government is shared between the business owner and the chain of official who ought to collect tax. This bad practice is becoming a culture in all spheres of live. Educational

institutions and most civil organisations are muddled in corruptions. Teachers give higher grades for students they have special attachment with. Will the culture of corruption invade churches? Most corrupt individuals adhere themselves to one of the churches denominations. The issue is, how do the churches clean themselves from corrupt individuals?

Community Assets

Spirituality, Religious identity, Social-Ministry of the Church: Any investment that defame the spiritual nature, mission and ecclesiological constitution of the church is not ethical investment.

Indigenous knowledge promotion, productivity: some Ethical investments have to promote by far indigenous knowledge and creativity that will a by fold meaning both in the trust making and increasing production.

Traditional Community Organisations¹⁸- Such *Equb, Edir, Busa Gonofa, Dabare* and many others in Ethiopia. These social support systems are century long. Edir and Equb are viable and still functional while Busa Gonofa and Dabare are less practiced after the food handout/relief programme began in 1970's.

Heritage and tourism: the long-lived churches have beyond their physical property they have a property that has heritage value, in art, history and craftsmanship, such properties attract tourism and hence they are by themselves investments.

Ecumenism: Ecumenism is a movement or tendency toward worldwide Christian unity or cooperation. The term, of recent origin, emphasizes what is viewed as the universality of the Christian faith and unity among churches.

6.6 Sustainable and Enduring Service

6.6.1 concept of sustainability and its principles

Sustainability has been comprehensively defined in Paul Hawkin's book – *The Ecology of Commerce* as: "Sustainability is an economic state where the demand placed upon the environment by people and commerce can be met without reducing the capacity of the environment to provide for future generations. It can also be expressed in the simple terms of an economic golden rule for the restorative economy; leave the world better than you found it, take

¹⁸ - Equb is a system where group of people usually above 5 contribute money and give to one of them through lottery draw process.

- Edir is the money the community in a neighborhood contribute and give to the one mourning during the death of close relatives
- Busa Gonofa -is social support system established to assist people who lost wealth to pestilent drought, disease, fire etc.
- Dabare-Giving a milking cow for the family who does not have milk to small children

no more than you need, try not to harm life of environment, make amends if you do”¹⁹. This definition indicates that individuals or corporate placing their demand on environment need to consider sustainable use from that the nature gives them without reducing its capacity to provide similar benefits for the future generations.

During ACAP-IV National Workshop in August 2021, C-CROs were addressed with the issue of climate and environment through the Bible Study on how God has given full responsibility for human beings from the very beginning of the creation to care or preserve and sustainably use God’s creation (Gen 1:28; 2:15). Promoting or modifying the environment for good use of human beings and the benefit of the creation, we as Christians are responsible to maintain this status quo in line with our patterns of consumption. Any damage comes to this world in one way or the other will affect Christians’ relationship with God the creator, human beings and nature affecting the values and responsibilities we as stewards were given. Reducing the potential and capacity of the creation to the level that compromise the future generations is the violation of the second greatest commandment that Jesus Christ told His disciples. This God given responsibility is to be reflected in any design of social services (health and education) agricultural programmes/projects, environmental or ecosystem development designs, building and infrastructure and economic development (investment and business initiatives), Leadership and governance. The sustainability of all programmes/ projects, industries and governance systems is highly dependent on the model of the design.

On the other hand, corporate sustainability encompasses strategies and practices that aim to meet the needs of stakeholders today while seeking to protect, support and enhance the human and natural resources that will be needed in the future. To guarantee this objective *four fundamental principles of sustainable development* ²⁰agreed by the world community need to be strictly followed.

These are:

- 1) **Principle of Intergenerational equity**- need to preserve natural resources for future generation.
- 2) **Principle of sustainable use**: use of natural resources in a prudent manner without or with minimum tolerable impact on nature.
- 3) **Principle of equitable use or intergenerational equity**: Use of natural resources by any state / country must take into account its impact on other states.
- 4) **Principle of participation, democratisation and subsidiarity**
- 5) **Principle of integration**: Environmental aspects and impacts of socio-economic activities should be integrated so that prudent use of natural resources is ensured.

¹⁹ Paul Hawken 1993. THE ECOLOGY OF COMMERCE. Copyright, Harper Cohns Publishers, Inc., 10 East 53rd Street, New York, NY 10022

²⁰ Study Material Professional Programme Ethics, Governance and Sustainability module II APER 6, ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003, **website** www.icsi.edu

- 6) **Transparency of information and decision making.**
- 7) **Principle of respect for the rights and dignity** of individuals and communities.
- 8) **Principle of precaution** (don't throw stones further than you can see).
- 9) **Principle of minimise spill-over impacts** (think global – act local).

The contribution of sustainable development to corporate sustainability is twofold. First, it helps set out the areas that companies should focus on: environmental, social, and economic performance. Second, it provides a common societal goal for corporations, governments, and civil society to work toward: ecological, social, and economic sustainability. However, sustainable development by itself does not provide the necessary arguments for why companies should care about these issues.

“Sustainability does not require a loss in the quality of life, but does require a change in mind-set, and a change in values toward less consumptive lifestyles. These changes must embrace global interdependence, environmental stewardship, social responsibility, and economic viability. This change will be the biggest humankind has ever seen. Sustainable design must use an alternative approach to traditional design that incorporates these changes in mind-set. The new design approach must recognize the impacts of every design choice on the natural and cultural resources of the local, regional, and global environments”²¹.

Organic farming: To ensure sustainability of agricultural products to support ever increasing human population in cities and on the other hand dwindling of natural resources, production of food need to be designed in such a way that sustainability principles is become lasting for centuries to come. The mindset of business as usual of intensified farming need to be changed to organic farming which are environmentally friendly, socially acceptable and economically sustainable. Church-CROs need to consider taking organic farming of both food crops and cash-crops as ethical investment options.

Ethical Investing: Churches in Ethiopia have been investing in social services, construction of shopping Centres, guest house, some have also star hotels, garage, manufacturing of religious items (clergy clothes, crosses etc.), spiritual books, publication centres. Other have investing in commercial banks. Still there are a lot of areas for Churches- CROs to invest in this country. The challenges that so far observed across some churches are that they do not have policy for investment, do not clearly set out sustainability strategies and also do not have disclosure and transparency (reporting on financial, nonfinancial and risk management).

Climate Justice: “Climate justice is a term used for framing global warming as an ethical and political issue, rather than one that is purely environmental or physical in nature. This is done by

²¹ Steve Hart 2007. What is Sustainability? [Academia.edu: http://www.academia.edu/WHAT_IS_SUSTAINABILITY...](http://www.academia.edu/WHAT_IS_SUSTAINABILITY...)
University of Auckland

relating the effects of climate change to concepts of justice, particularly environmental justice and social justice and by examining issues such as equality, human rights; collective rights, and the historical responsibilities for climate²²”. As a form of environmental justice, climate justice is the fair treatment of all people and the freedom from discrimination in the creation of policies and projects that address climate change as well as the systems that create climate change and perpetuate discrimination. “The impacts of climate change will not be borne equally or fairly, between rich and poor, women and men, and elderly and young generations. Consequently, there has been a growing focus on climate justice, which looks at the climate crisis through a human rights lens and on the belief that by working together we can create a better future for present and future generations”²³. That is why the UN General Secretary Antonio Guterres emphasised climate change as inevitable danger to all but the poor and vulnerable are hit hard in his statement: “*Climate change is happening now and to all of us. No country or community is immune and, as is always the case, the poor and vulnerable are the first to suffer and the worst hit*”²⁴.

The issue of sustainability in any business is vital and it is the guarantee of any investment. Sustainability is defined as service that should be produced and delivered in any process that generates tangible or intangible values and that should be incorporated into each phase of the value chain. In designing ethical investment churches and CROs has to put in their point the issue of assuring Sustainability.

Recommendations

6.6.2 Sustainability and UN SDGs

The UN SDGs define the goal posts for achieving global sustainable development, and address critical global challenges ranging from climate change to economic inequality to sustainable consumption. The C-CROs need to align most feasible ongoing and future ethical investment initiatives with the UN Sustainable Development Goals (SDGs). particularly that are an ambitious set of 17 goals (and 169 underlying targets) designed to alleviate many pervasive social, economic, and environmental problems by the year 2030. Some of these goals may form an existential threat to this planet and our ability to live peacefully and act accordingly. Ethical leadership must take this fact into consideration and design SDGs such:

Among the most feasible UN SDGs, the following can be considered for the alignment with the C-CROs investment initiatives.

- **Gender Equality (SDG 5).** Ensuring women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.
- **Good health (SDG 3).** Ensuring people live healthy lives can cut child mortality and raise life expectancy. **Education (SDG 4).** The UN wants everyone to have access to inclusive,

²² https://en.wikipedia.org/wiki/Climate_justice

²³ <https://www.un.org/sustainabledevelopment/blog/2019/05/climate-justice/>

²⁴ Ibid

equitable quality education. UN (SDG-6)- on environmental sanitation and healthy environment for all by 2030.

- **Climate Action (SDG 13).** Improving education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

6.6.3 Sustainable procurement Principles

Ethical Investment should consider avoiding or at least minimize environmental impact as principle during procurement of materials or outsource services. Ethical Investment must create positive awareness on the importance of environmental standards and social responsibility. Enhance the well-being of employees.

C-CROs need to enhance the well-being of their employees and continuous training of employees related to procurement and compliance management team on the code of conduct and code of ethics. Enterprises need to ensure ethical issues during procurement, integrating sustainability objectives when procuring products and services, with an emphasis on environmental attributes as well as other social and ethical criteria as appropriate and applied to the value chain. Ethical Investment promoters need to check that procurement practices:

- ▶ Respect human rights (avoid discrimination, protect vulnerable groups);
- ▶ Are considerate of labour practices (notably work, health and safety conditions);
- ▶ Minimize the impact on the environment (in terms of resource use, pollution, biodiversity protection, combatting climate change);
- ▶ Respond to ethical operating practices (notably anti-corruption, fair competition);
- ▶ Contribute to community involvement and local development by fostering employment and access to services, respecting local culture and religious norms.

6.7 Spirit of Stewardship

Literally stewardship can be defined as carefully and responsibly managing something entrusted to one's care. Adam became a steward of what God had given to him. "In the beginning God created the heavens and the earth" [Genesis 1:1]. The world and all that is in it belongs to God.

Four Principles of Stewardship²⁵

The Principle of Ownership - The fundamental principle of biblical stewardship is that God owns everything, we are simply managers or administrators acting on His behalf. Deuteronomy

²⁵ *Hugh Whelchel 2012. Four Principles of Biblical Stewardship*

8:18 counsels us to, Remember the LORD your God, for it is he who gives you the ability to produce wealth.

The Principle of Responsibility- The Apostle Paul reminds us that God gives us ‘all things richly to enjoy’ [1 Timothy 6:17]. With the enjoyment comes responsibility to be good stewards of what we have been given. Nothing really belongs to us. God owns everything; we’re responsible for how we treat it and what we do with it. Owners have rights; stewards have responsibilities.

The Principle of Accountability- Jesus told a parable of a steward who had been accused of wasting his master’s possessions [Luke 16:1-13]. Jesus concludes his parable with these words: “He who is faithful in what is least is faithful also in much; and he who is unjust in what is least is unjust also in much” [vs. 10]. We said, a steward is one who manages the possessions of another. We are all stewards of the resources, abilities and opportunities that God has entrusted to our care, and one day each one of us will be called to give an account for how we have managed what the Master has given us. Like the steward in Jesus’ story, it would be a sin for us to waste the resources that God gives us. What God requires is faithfulness as stewards of what He has given us.

As the Creator, God has absolute rights of ownership over all things. Fundamentally, stewardship is a theological concept that outlines human responsibility as stewards for the whole world, and should take care and look after it. Believers in stewardship are usually people who believe in one God who created the universe and all that are within it, also believing that they must take care of creation and look after it. Therefore, ethical investment laid its foundation in these since responsibility; serving is the main duty of Christian ethical investment. And it is served and stewardship that define the nature of Ethical investment not profit making.

The Principle of Reward- “Whatever you do, work at it with all your heart, as working for the Lord, not for men, since you know that you will receive an inheritance from the Lord as a reward (Colossians 3:23-24). It is the Lord Christ you are serving.” It has been said that stewardship is where the concept of faith and works intersect.

7. Identifying Churches’ Resources

7.1 Human Resource

Churches in Ethiopia primarily endowed with human resources. The Ethiopian churches constitute over 70% of the total population of the land. Direct churches serving in spiritual areas Archbishops, priests/pastors, decans, evangelists are human resource of churches in Ethiopia. Most people serving the church are from senior politicians, university professors, senior military officials, to a person sitting on roadside and begging have similar concern on spiritual related

matters. Churches have been generating huge employment opportunities in Ethiopia, the second next to the government.

Churches mobilise huge volunteer services (spare their *time, talent and treasures*). Churches mobilise and utilise such huge volunteer human resources which is many folds numerous than the permanent churches service men and women. Churches have however limited spirit of cooperation leave alone oneness and unity though the call upon the same trinity God, most of the use the same Holy Bible. Some churches preach their greatness, while others particularly in the last 2-3 decades about prosperity and money. The Ethiopian Gospel Believers Churches (that included almost all protestant churches) have got constitutional right and being organised under national council recently.

Churches in Ethiopia can do immense investment if they cooperate even withing their denomination and could mobilise the human resource they have to undertake ethical investment. But, before taking up such huge agenda, they have to work on modality of cooperation, reach agreement on how to generate material or financial resources and narrow gaps between their denominational differences and focus on how to reach with the Good News to the unreached world or even to those countries from Europe and America who brought Gospel to Ethiopia but have at the verge of becoming secular where non-believers have reigned both at the government as well as in each household.

7.2 Spiritual Capital of churches

Christ is the head of all churches and all sermons and worship are Christ Centred in churches in Ethiopia. The churches spiritual capital is so significant in social networking. Members of the churches are close to churches of their respective denomination and interconnectedness of religious leaders and laities is also so strong. Praying, visiting the sick and helping the hurt, buying the dead and mourning with hurt ones. The respect for the elders and trying to abided by the laws have the socio-religious assets of Ethiopians which do exist in 80% of rural communities even though there this centuries long tradition is being eroded in cities during this digital technology.

7.3 Material Assets of Churches

Many churches have their own church buildings, business building for renting, institutions (fee-based schools, colleges, workshops) and health facilities clinics and hospitals, book shops, printing enterprises, and many more. Some churches have share in commercial banks and insurances. The Ethiopia Orthodox Tewahedo Church have a lot of material productions for sale such as cross, clergy clothes, scarfs, umbrellas, and various artifacts. There are many more assets created by churches social participation.

Give to others and supporting the poor is the demand that God expects from everyone. Jesus said, in Luke 6:38: “Give, and it will be given to you”²⁶. Churches mobilise huge amount of resources to undertake their core mission of evangelisation and other related activities as well as a number of social services and also investing in various income generating activities. Churches also give to the people in need when there is humanitarian emergency and also contribute to grand projects such as Grand Ethiopian Renaissance Dam (GERD).

1. **Tithes** *Leviticus 27:30* says “A tithes of everything the land, whether grain from the soil or fruit from the trees, belongs to the Lord; it is holy to the Lord²⁷”. *Proverbs 3:9* also says, “Honour the Lord with your wealth, with the first fruits of all your crops”
2. **Gifts**- Members of each church offer money and gifts in kind without reservation and this are what has sustained churches in Ethiopia, be they are Catholic, Orthodox or Protestant Churches.
3. **Oaths**, a payment made after the oath, Numbers 30:2: "When a man vows a vow unto the Lord, or swears an oath to bind his soul with a bond, he shall not break his word; he shall do according to all that proceeds out of his mouth."
4. **Contribution**- Members of churches contribute in cash or in kind at the time when churches have called them for various causes, it could be emergency support of immediate need for cash or materials to fulfill church's needs.
5. **Other Properties of Value**, heritage materials, historical valuable inheritances, artifacts, and treasures.

²⁶Holy Bible, New International Version 1984, Referenced edition.

²⁷ Ibid.

8. Annexes

Annex-8.1: Definition of terminologies

1. **“Church”**: The New Testament church is a body of believers that has been called out from the world by God to live as his people under the authority of Jesus Christ:
God has put all things under the authority of Christ and has made him head over all things for the benefit of the church. And the church is his body; it is made full and complete by Christ, who fills all things everywhere with himself. (Ephesians 1:22–23, NLT)
2. **“Church Related Organisations”** – are organizations whose identity and mission are derived from a religious or spiritual tradition and which operate as registered or unregistered, nonprofit, voluntary entities.
3. **“Investment”** means expenditure of capital in cash or in kind or in both by the church to establish a new enterprise, or to acquire, in whole or in part, or to expand or upgrade an existing enterprise;
4. **“Ethical Investing”** Ethical investing is an investment strategy where the investor’s ethical values (moral, religious, social) are the primary objective, along with good returns free of corrupt practices or immoral practices.
5. **“Ethical Investment”** means an area of investment recommended for churches and it recognizes environmental protection, social issues, sustainability of the investment itself and ethical governance of the entity throughout its operations.
6. **“Employee”** means a person who has an employment relationship with an employer in accordance with Article 4 of Labour Proclamation No. 1156/2019.
7. **“Employer”** means a person or an undertaking who employs one or more natural persons in accordance with Article 4 of Labour Proclamation No. 1156/2019.
8. **“Work rules”** means internal rules which govern, subject to the provisions of the Labour Proclamation and other relevant laws, working hours, rest period, payment of wages and methods of measuring work done, maintenance of safety and prevention of accidents, disciplinary measures and their enforcement as well as other conditions of work.
9. **“Condition of work”** means the entire field of labour relations between workers and employers including hours of work, wage, leave, payments due to dismissal, workers health and safety, compensation to victims of employment injury, dismissal because of redundancy, grievance procedure and any other similar matters.
10. **“Discrimination”** any distinction, exclusion or preference made on the basis of nation, race, color, gender, religion, political opinion, national extraction, social origin,

HIV/AIDS status, any impairment and others which have the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.

11. "**License**" means a certificate to be issued by a competent organ certifying that the entity is qualified to engage in a certain activity.
12. "**Environment**" means the totality of all materials whether in their natural state or modified and changed by human; their external spaces and the interactions which affect their quality or quantity and the welfare of human or other living beings, including but not restricted to, land atmosphere, whether and climate, water, living things, sound, odor, taste, social factors, and aesthetics;
13. "**Environmental Impact Assessment**" means the methodology of identifying and evaluating in advance any effect, be it positive or negative, which results from the implementation of a proposed project or public instrument;
14. "**Impact**" means any change to the environment or to its component that may affect human health or safety, flora, fauna, soil, air: water, climate, natural or cultural heritage, other physical structure, or in general, subsequently alter environmental, social, economic or cultural conditions;
15. "**Pollutant**" means any substance whether liquid, solid or gas which directly or indirectly:
 - a) Alters the quality of any part of the receiving environment so as to affect its beneficial use adversely, or
 - b) Produces toxic substances, diseases, objectionable odor, radioactivity, noise, vibration, heat, or any other phenomenon that is hazardous or potentially hazardous to human health or to other living things.
16. "Market Failure" is a situation in which the allocation of goods and services by a free market is not Pareto efficient, often leading to a net loss of economic value.
17. "Contingency Plan" A **contingency plan** is a plan devised for an outcome other than in the usual (expected) plan.^[1]

It is often used for [risk management](#) for an exceptional risk that, though unlikely, would have catastrophic consequences.

Annex-8.2: Summary of Ethical Investment Guidelines

Scope of Application

- 1/ The scope of this guidelines focuses solely on direct investments that are carried out by Churches and Church Related organisations in Ethiopia;
- 2/ Nothing in this guideline shall derogate religious principles, guidelines developed by churches or any other directives and law applicable to churches and church-based organizations;

Part Two: Objectives of the Guidelines

1. The principles recommended are aimed at supporting the bases for a distinctly Christian approach to investment, embracing screening, active stewardship, and alignment with the Church's teaching and values.
2. The principles recommended are aimed at helping churches to avoid investing in companies that produce products that are against the social, moral, and religious values.

Part Three: Major Areas Covered under the Guidelines

Section One: Principles for Responsible Investment

1. Under this guideline, the UN Principles²⁸ for Responsible Investment shall be adopted by churches and church related organisations.
2. Churches and church related organisations shall ensure their investment and holdings are free from corruption, money laundering and other economic crimes.
3. Applying the principles provided hereunder may better align churches' investments with broader objectives of society.
 1. Churches shall incorporate principles for responsible investment issues into investment analysis and decision-making processes.
 2. Churches shall be active owners and incorporate principles for responsible investment issues into their ownership policies and practices.
 3. Churches shall seek appropriate disclosure on principles for responsible investment issues by the entities in which they invest.
 4. Churches shall work together to enhance effectiveness in implementing the principles.

²⁸ UN Principles for Responsible Investment:

Principle-1: We will incorporate environmental, social, and corporate governance factors (ESG) issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the principles.

Principle 6: We will each report on our activities and progress towards implementing the principles.

5. Any other principles developed by churches shall reflect the increasing relevance of environmental, social, and corporate governance issues to investment practices.
6. The Churches shall encourage other investors to adopt the principles for responsible investment.

Section Two: Areas of Investment Recommended for Churches

1. At the time of starting business and running the undertaking, churches shall secure necessary licenses and trade permits from concerned authorities
2. Churches shall ensure that companies in which they invest to manifest sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice.
3. The churches may not drive profit from, or provide capital to activities that are materially inconsistent with Christian values, and are also mindful of the danger of undermining the credibility, effectiveness and unity of the Church's witness were they to do so.
4. Churches shall not have a share in investments known for their misconduct (including corruption related cases), violation of human rights and environmental degradation.

Section Three: Human Rights and Churches' Responsibility

1. The Churches shall recognize that they have a responsibility to ensure that international human rights norms are respected by the companies in which they invest, and across their business relationships.
2. Church based investments shall demonstrate consciousness with regards to human rights through an active commitment to ensure that they prevent or mitigate the risk of adverse impacts on human rights in all their activities.
3. Churches shall commit themselves to ensure that their stewardship and engagement activities focus on salient human rights considerations.
4. They have to ensure that their investments do not involve in human rights abuses.
5. Churches are encouraged to have human rights-based policies, which set out their respective approaches towards managing and minimizing the risk of human right abuses in their entities and their supply chain.
6. The church-based investments need to have a grievance handling mechanism for human rights related concerns to be raised and to provide remedy where they cause or contribute to harm. This ought to apply throughout its operations and supply chains.

Section Four: Environmental Protection

1. Corporations established by churches shall carry out their activities in accordance with national laws, regulations, administrative practices and policies relating to the preservation of the environment of the area in which they operate and with due regard to relevant international standards. Their environmental concern shall focus on protecting,

developing and then using the environment for the sake of the environment itself and the basic values of the churches.

2. Church based investments shall protect the environment and, where damages happen, to restore it to the extent appropriate and feasible. In addition to this, they shall:
 1. Implement an environmental impact assessment before commencing investment and follow up as appropriate;
 2. Adopt pro-environmental management system;
 3. Freely disclose information on the enterprises environmental policy;
 4. Compensate for the damage caused and restore the environment to its original state;
3. Churches shall secure guidelines for sustainable use water resources and energy, and develop waste management system;
4. Churches shall strive to generate income from the protected and developed environment.
5. Churches shall work to avert the impacts of climate change;
6. Churches shall work to strengthen sustainable natural resource management through safeguarding landscapes and watersheds;
7. Church based investments shall work to enhance sustainable forest management;

Section Five: Labour Rights and Church Based Investments

1. The church-based investment entity as an employer shall, within 15 days from the conclusion of the employment contract, give the worker a written and signed letter containing the following elements:
 12. The name and address of the employer;
 13. The name, age, addresses and work card number, if any, of the worker;
 14. The agreement of the contracting parties/the contract of employment shall specify the type of employment and place of work, the rate of wages, method of calculation thereof, manner and interval of payment and duration of the contract; and
 15. The signature of the contracting parties.
2. The churches shall make sure that their investments are providing work to the worker in accordance with the contract of employment.
3. The churches shall make sure that their investments are providing the worker with implements and materials necessary for the performance of the work.
4. The churches shall make sure that their investments are paying the worker wages and other benefits in accordance with the Labour Proclamation or the collective agreement.
5. The church-based investment entities shall neither hinder establishment of trade union nor discourage employees from membership in the trade unions.
6. The churches shall ensure that the wage being paid is enough to lead a decent life and covers costs of basic needs.
7. The churches shall make sure that their entities are respecting the worker's human dignity.
8. Treating employees without discrimination at recruitment and throughout period of employment contract.

9. Churches shall ensure the development of sustainable and suitable working condition to all employees of the undertaking.
10. The church-based investment entities may not use child labour for their investment engagements and they have to ensure the same to be implemented by their supply chains.
11. The church-based investment entities shall respect the national laws on young workers and shall respect the rights and privileges accorded to young workers.

Section Six: Sustainability of the Investment

1. Churches shall take all necessary measures to ensure the sustainability of their investment.
2. To ensure the sustainability of investments, churches shall create and encourage sense of ownership towards the investment.
3. Churches shall maintain, develop and promote the investments to a better level. This activity shall include expanding an existing investment, increasing production or service in number or variety
4. Churches shall encourage their entities to have necessary insurance packages for buildings, machineries and investments.

Part Four: Miscellaneous Provisions

1. Churches shall develop code of conducts to be applied in their investments. The code of conduct shall cover human right issues, grievance handling procedure and dispute resolution, labour relations, environmental protection and ethical engagement in trading activities.
2. The code of conduct shall cover issues related to governance of entities, election of board of directors, terms of service, power and function of the board.
3. Churches shall resort to Alternative Dispute Resolution mechanisms when there is a dispute emanating from the investment activities.
4. Churches shall develop a system that helps to boost check and balance in the entities.

Annex-8.3: Communiqués Workshop of August 2021

Joint Communiqué of Workshop Participants

This communiqué has been issued at the end of two days' workshop on the National Workshop to validate the findings of Country Study on African Church Assets Management and Ethical Investment Programme (ACAP-IV-Ethiopia) for Churches and Church Related Organizations (1-3 August 2021) in Adama, Ethiopia. The detail of the communiqué is given as follows.

In the course of the deliberations, participants of the workshop noted the following as important takeaways of this workshop for their respective organisations.

These are:

1. Ethical Investment
2. Asset Management
3. Human Capital Development

Subsequently, the following essential points were brought forth as the communiqué of the workshop:

1. Ethical Investment

- I. Identify and review existing Ethical investment policy of churches and CROs. While doing so, churches and CROs are expected to have ethical policy and plan to develop or update ethical investment guidelines;
- II. Churches and CROs must focus on investment schemes with positive externality which includes environmentally friendliness, investment in Social Services: Education and Health, Organic Farming, Poultry, Cattle Fattening, Construction Sector, etc.;
- III. Churches and CROs shall develop strategic plan using ethical lenses in project design, business plan that serve as a benchmark for future ethical investment;
- IV. Churches and CROs shall Collaborate on ethical investment and advocacy, development of guidelines /standards on ethical investment from which individual church can adopt to their situations, share best practices and lessons with one another, and jointly develop national guidelines on ethical investment;
- V. Endeavor to and work hard to create awareness for Church leaders on ethical investment so that they keep it higher together with their core agendas as one and immediate issue of the leadership.

2. Asset Management

In this regard:

- I. Asset registration and asset mapping shall be the first and foremost priority (if not done thus far) and the task shall be undertaken by the church or any legal entity they consider or find appropriate to do so;
- II. Churches and CROs shall have Fixed Asset management guidelines;
- III. Through the deliberations, it is understood that buildings of the church including buildings for worship and other business and residential buildings that belong to churches must be insured. Thus, churches and CROs shall secure buildings and property Insurance, the soonest time possible;

- IV. Undoubtedly, numerous organizations, institutions and churches follow obsolete traditions of accumulating non-functional or unusable assets in their stores, offices, and/or any open space they own. To avert further loss, churches and CROs shall have a plan to convert idle assets of the churches to economically productive possessions or tangibly usable resources;
- V. As nothing does work without the involvement and commitment of the leadership, creating awareness to church leaders is compulsory. Hence, individual church bears a responsibility of the awareness creation for church leaders;

3. Human Capital Development

Human capital is an asset consisting of the knowledge and skills held by a person that can be used by an organization to advance its goals. Since churches and CROs are divinely mandated organizations to serve the whole person and provide wholistic services, they definitely need to be equipped with capable and competent human resources that enhance the provision of wholistic services. Subsequently, as the participants of the workshop return back to their respective churches and CROs they:

- I. Shall work on church community to create “It is possible mentality” in the institutions they have com;
- II. Shall help churches and CROs plan to influence work culture of the nation that available skilled force should participate in job creation and other creativity activities;
- III. Shall start and work together and become advocate of ethical investment since the overall mandate of churches is to provide wholistic service and promote unity;
- IV. Shall promote and exercise good governance in the churches and CROs and proactively engage in performance assessment, competence building leaders, professionals and administration staff;
- V. Shall develop spiritual capital of all members (men women, boys and girls) so that they could participate in all church related activities relevant to their age and capacity;
- VI. Shall enhance ‘use your talent’ strategy to mobilise human resources, particularly that of the youth in various aspects of church work;
- VII. As divinely mandated institutions, churches and CROs are establishments on earth mandated to provide quality services undertaken by high job performance and success throughout a career. These could only be attained by the use of professionals who are equipped with the ability to learn, good interpersonal skills, have a capacity to adapt and have integrity. Thus, churches and CROs shall use professionals who are committed and capable to the achievement of envisioned ethical investment and hence self-reliance.

4. **CONCLUSION:** The participants expressed their satisfaction on the idea of ethical investment which helps them to pave the path to build self-sufficiency to all churches and CROs. Therefore, churches and CROs perceive positive outcomes from the three major themes of **Ethical Investment, Asset Management** and **Human Capital Development** that the participants have identified as crucial points of the communiqué during the First National Workshop at Adama Executive hotel from August 1-3/ 2021. Churches and CROs also underscore the importance of cooperation whenever unifying efforts and amalgamating expertise and experiences are needed. With this communiqué, they agreed to establish lasting relations that would be leveraged towards completing the expedition for ethical investment, economic autonomy and prosperity.

Annex-8.4: Communiqués of National Workshop on Ethical Investment (Feb 13-15/ 2022)

JOINT COMMUNIQUE FROM THE ACAP IV Ethical Investment Guidelines development

Acknowledgment

We would like to express our special thanks for globethics representatives, CCRDA, Bread for the World, AACC for preparing this workshop. And we appreciate all church representatives, government representatives and CBOs representatives who participate on the workshop. And the consultant

PREAMBLE

We participants of The fourth phase of the African Church Asset Programme over the last two days Feb 14 and Feb 15 2022, attended the workshop and saw the guidelines discussed, enriched them, and agreed on them.

After the requirements are finalized, we recommend that the program to have owner in Ethiopia. And we propose that CCRDA be the organization that takes accountability and leadership.

- The chosen owner will work with churches to accept and implement the guidelines that have been agreed upon with All stakeholders' official representatives.
- The program's owner will lobby the government to establish an enticing environment.
- If chosen, CCRDA can engage with churches to collaborate and develop a tax force that is inclusive.

The focus of the meeting

This phase was focused on how to put in practice the recommendations and the lessons of the previous phases to promote ethical investment for churches and church related organizations. This guideline is therefore developed based on the results of the Country Study conducted in Ethiopia in August 2021 and was elaborated by the inputs of the participants.

Here are our calls for Government

1The government must encourage ethical investment and establish a climate conducive to it.

2 The government must develop special rules and regulations to assist churches and CROs.

3 Moral ethics must be included in the school curriculum.

Here are our calls for Church

1 Churches have to cooperate and accept positively the guidelines and be model and leader on the implementation.

2 Theology institutions have to include the four pillars Leadership, Ethics, governance, and sustainability on their curriculum.

Our calls for CSOS and CS

to make moral ethics investment projects their priority and to engage more

IN CONCLUSION

- We depart from this workshop with the commitment to implement on the major findings of and the proposed guidelines. We remain committed to facilitating, support and implement the guidelines.