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African Church Assets Programme (ACAP)

Summary of Ethical Investment Guidelines for Ethiopian Churches and Church Related Organisations

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Summary of Ethical Investment Guidelines

Table of Contents

I. Background to the African Churches Assets Programme (ACAP).....	3
II. Ethical Investment Guidelines	4
III. Significance of Ethical Investment.....	5
1. Legislation, Human Rights, Environment	6
2. Objectives of the Ethical Investment Guidelines	7
3. Scope of Application.....	8
4. Key Concepts and Definitions.....	8
Principles of Ethical Investment.....	11
Approaches to Ethical Investments of Churches and CROs	12
Ethical Investing Strategies	12
5. Areas of Investment Recommended for Churches and CROs.....	13
5.1 Guidelines adherence to Human Rights.....	13
5.2 Environmental Protection.....	15
5.3 Labour Rights and Church Based Investments	15
5.4 Sustainability of the Investment	16
5.5 Miscellaneous Provisions	17
6. Conclusion.....	17
7. Way forward to Ethical Investment.....	18

I. Background to the African Churches Assets Programme (ACAP)

God gives abundant life and resources to the whole of creation, including humanity. Christians as followers of Jesus Christ and churches as the body of Christ participate in this abundance of God's gifts with talents of human resources and manifold mobile or fixed assets in land, forests, real estate, institutions, capital, including the assets of church-related organisations (CROs) such as schools, hospitals, farms, training centres, microfinance institutions, women's associations, universities etc. Improved asset management is urgent for the sustainable continuation and expansion of the mission and tasks of the churches and CROs. It is also a key element for African Dignity, the motto of the All Africa Conference of Churches - AACC.

The African Church Assets Programme, ACAP implemented by Globethics², in collaboration with AACC with supported of Bread for the World, is a very important effort and contribution to these goals. In 2013, the 10th General Assembly of AACC in Uganda adopted a resolution, which stated among others that the:

“AACC Secretariat to launch and implement an African Christian Assets Programme (ACAP) that will facilitate member churches to map, register, secure and manage Church-related assets of land, resources and real estates and to increase income from it”³.

Based on this resolution, Globethics, an international partner organisation of WCC, based in the Ecumenical Centre in Geneva Switzerland, with AACC and with the financial and conceptual support of Bread for the World in Berlin/Germany developed the African Church Assets Programme ACAP have been supporting five consecutive phases (ACAP-I, ACAP-II, ACAP-III, ACAP-IV, ACAP-V) since 2015 to date.

African Churches Assets Programme Phase 1: African Planning Workshop kicked off on the 2nd March 2016 at the All Africa Conference of Churches in Nairobi, Kenya. The workshop was the first step of a comprehensive programme that aims to help leaders in church institutions (such as educational centres, health care services, seminaries, etc.) to build practical capacity in a climate of strong accountability and transparency in the management of assets and resources.

The African Church Assets Programme (ACAP-I) was developed into a project aiming 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 (Churches-CROs).

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

² Globethics is an international non-governmental organisation working for ethical leadership through higher education and global engagement. Registered in Geneva, Switzerland, as an independent, not-for-profit foundation with an international Board, and affiliated centres across the globe, Globethics seeks to be inclusive of diverse cultural, religious, philosophical, and humanist ethical wisdoms, and to be the bridge between the different worldviews on ethical issues.

Founded in 2004 at an international workshop convened by ethics professor Christoph Stückelberger, Globethics was created as a global network with an online platform for exchange and access to knowledge resources on ethics, to address societal challenges. <https://www.globethics.net/about-us>

³ AACC 10th General Assembly, Uganda 2013, God of Life, lead Africa to Peace, Justice and Dignity, Nairobi: AACC 2013, 107-108 (chapter 4.3.9.1. Resolutions).

Summary of Ethical Investment Guidelines

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 entrepreneurs and social impact programmes in the management of church assets and church-related businesses that could go beyond the simple profit motives. 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”⁴. 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.

African Church Assets Management Programme (ACAP-IV) was aimed at to strengthening African churches, church-related organisations (CROs) and stakeholders in the East Africa region (Ethiopia and Kenya in February 2021) to contribute to the development of local policy and / or regulations in ethical investment in line with the values and ethical standards of their respective churches and CROs. In Ethiopia, a 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 guidelines was developed and validated in February 2022.

II. Ethical Investment Guidelines

Ethical investing by churches is a way of applying Christian moral principles or religious values to the management of resources. Ethical Investment Guidelines had been developed as part of strengthening Churches and Church Related Organisations (CROs) in with the biblical responsible investment principles. The study clearly spelt out that the scale of the investment is very limited despite the existence of Christianity and establishment of churches in Ethiopia since the 4th century.

⁴ Nadia Balgobin, Senior Advisor, Globethics.net. ACAP-III Project Report 2019.

Summary of Ethical Investment Guidelines

The purpose of developing ethical investment is, therefore, 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 from February to June 2021 and elaborated in August 2021 at the workshop conducted in Adama. The Ethical Investment Guideline should have been presented in October 2021, but due to the conflict in Northern Ethiopia, it was postponed to February 13-15, 2022.

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 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 adequately reviewed by professional lawyers working with the consultant. The inputs and comments of participants (from various government ministries, church leaders, private sectors, professional with leadership and ethics educational backgrounds) in two round workshops mentioned above have been incorporated to further strengthen and develop applicable Ethical Investment Guidelines for churches and CROs.

III. Significance of Ethical Investment

Professor Dr Obiora Ike identified about nine guiding principles required if business is to be undertaken by corporate, private or public. He listed these Guiding Principles for the Role of Business in Society - Responsibility and Sustainability⁵ as follows.

Business exists to be sustainable – any intervention that is to involve finance, environment and social responsibility needs to be sustainable.

Companies are part of communities – Any investment, whether it is run by investors, churches, companies or state owned, operate in a community.

People are the centre of any investment or operation – There is no investment that does not involve people.

⁵ Obiora F. Ike, 2020. Moral and Ethical Leadership, Human Rights and Conflict Resolution – African and Global Contexts

Core values – such as integrity, trust, rule of law, transparency and honesty remain virtues, which corporations can and ought to adopt. Where there are no such core values - leave alone investment, the continuity of the organisation will be under question.

Minimize harm, maximize business corporate culture – safety of workers, environmental protection, and rights of employees are critical to achieve investment goals and make an impact in society.

Technology adoption – technology is inevitably becoming the game changer in economy, investment/businesses, communication and in many more areas of social development and environmental protection. Replacement of paper money into digital money is the result of technological development. Withdrawal and undertaking business as usual will no more be relevant in economy, environmental and social issues.

Research and Development (R & D) – the roles of R & D has become more technology based, particularly in the area of knowledge management. Public businesses institutions and corporations must engage in Research and Development so that social and environmental issues are sustainably addressed.

Ethics – Businesses are founded on a sustainable path if they are ethical they are that is rational in their options of short term benefits or long term survival with a good reputation, by following and internalizing the rules.

- Ethical investing ensures that investments are made in line with the investor's values, in our case with churches and CROs.
- With more people choosing to invest ethically, it positively impacts both the society and the environment in such a way that it discourages other industries.
- The returns on these investments are not just monetary but have an overall impact on the investing Churches and CROs as well as other corporates.

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 the Investment Policy Framework for Sustainable Development was officially launched at the Financing for Development Conference in Addis Ababa. It 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.

Summary of Ethical Investment Guidelines

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 at 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 Churches, CROs 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".
4. The guideline can be contextualized based on the type of investments.

2. 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 those 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.

Summary of Ethical Investment Guidelines

- To make ethical investments of C-CROs the best model that reflect Christian ethics, moral and values in Ethiopia in the area of 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.

3. 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 scrutinized in line with national laws, regulations and directives to fit to the ethical investment churches and Church organisations could undertake.

4. 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 practical philosophy, i.e. a creation of the human mind., For this reason, it is not absolute and is open to the influence of time, place and situation⁶.

⁶ STUDY MATERIAL PROFESSIONAL PROGRAMME ETHICS, GOVERNANCE AND SUSTAINABILITY MODULE II
APER 6, ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003, www.icsi.edu

Summary of Ethical Investment Guidelines

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: 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 have 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.

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.

Definition of Ethical Investment

Ethical investing is an investment strategy in which an investor chooses investments based on an ethical code, such as religious or social values, and financial returns. Ethical investing is the practice of incorporating personal values and principles into the investment process. 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

Summary of Ethical Investment Guidelines

conscious funds typically have one overarching set of guidelines that are used to select the [portfolio](#)⁷, whereas ethical investing brings about a more personalized result.

- Ethical investing is the practice of selecting investments based on ethical or moral principles.
- Selecting investments based on ethics offers no guarantee of performance.
- Ethical investors typically avoid investments from sin stocks, which are companies involved with stigmatized activities, such as gambling, alcohol, smoking, or firearms.
- Analyzing investments according to ethics should also include reviewing whether the company's actions align with its commitment to ethics and its historical, current, and projected performance.

Ethical investing gives the individuals the power to allocate capital toward companies whose practices and values align with their personal beliefs, religious values and also cultural norms. Some beliefs are rooted in environmental, religious, or political precepts. Some investors may choose to eliminate specific industries or over-allocate to other sectors that meet the individual's ethical guidelines.

Ethical investing strives to support industries making a positive impact, such as sustainable energy, and often aligns with ESG investing, which stands for environmental, social and governance factors. Of course, what is "ethical" depends on the person. What is ethical to you may not be to someone else. That's why it's important to look behind the curtain of ethical investments and make sure they align with the impact you'd like to have.

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Goals of Ethical Investing for churches and CROs

The goals of Churches and CROs ethical investment is to promote sustainable business practices, supporting social and environmental causes, and generating competitive financial returns that align with Christian's' values.

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

⁷ <https://www.investopedia.com/terms/p/portfolio.asp>

⁸ <https://www.forbes.com/advisor/investing/what-is-ethical-investing/>

beyond the ordinary activity of producing, selling and earning that involve charity, but witnessing the Gospel and supporting the mission of the church

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 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 Principles⁹ 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.

Principles of Ethical Investment

There can be a number of reasons to start investing. However, there should be adequate reason for investing.

Principle-1: Have an implementable investment idea

Before investing there should be a project idea and a real cause for investing. Before investing, technical, financial, economic, social and environmental or environmental impact assessment feasibility study need to be undertaken.

Investment requires longer period and investing as early as possible improves the performance of the assets (fixed or current) being invested. Investing for a longer period of time is widely considered more effective than waiting until you have a large amount of savings or cash flow to invest. Starting early is one of the best ways to build wealth that can be used for immediate need for churches and CROs expanding the base of investment.

Principle-2: Have a proper investment plan

⁹ 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.

Summary of Ethical Investment Guidelines

Professionally develop based on the feasibility study findings a well-structured plan in place. Investment is based well developed plan will not be affected by the day-to-day market fluctuations.

Principle-3: Saving is a key for investment

Investment capita does not come from the blue moon. The culture of saving is a key for successful investment. In general, the more the saving culture, the less it will need to save in the future to achieve the same goal.

Principle-4 Diversify your portfolio

When it comes to investing, one of the easiest ways to manage risk and improve probability of success is to have a variety of investments. Diversification can better position investors to tap into opportunities across different investments as they emerge. This tends to create a smoother investment experience.

Approaches to Ethical Investments of Churches and CROs

- Churches CROs' investment process seeks to ensure that their holdings are aligned with societies' financial and ethical expectations,
- To enable a sustainable future for the society
- Integrates a detailed list of environmental, social and governance considerations with the aim of both minimising investment risk exposure, while identifying investment opportunities.
- To invest in businesses that promote human welfare, dignity, environmental stewardship (climate risk management and disclosure, and investments in clean energy and technology).
- The investment team looks for exercising best practice, positive trend either through changes to business models, procurement practice or stakeholder engagement initiatives.

Ethical Investing Strategies

Investments that align with values of churches and CROs need to be selected with strong environmental, social and governance considerations. Investments that focus on specific social or environmental themes, such as clean energy, social services (promoting gender equality, inclusion of marginalised communities, health, education etc.) and real estate are among the strategic directions of Ethical Investing.

Investments such as production and distribution of weapons, tobacco, alcoholic drinks, fossil fuels as well as gambling and illicit practices need to be avoided from investment screenings.

Ethical investment strategies should to include the following investment portfolios:

Diversification- Spread investments across various sectors and asset classes to reduce risk.

Asset allocation- Allocate assets based on risk tolerance, investment horizon, and financial goals.

Risk management- Monitor and manage risks associated with ethical investments, including potential underperformance or limited liquidity.

5. 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 and agricultural processing industries. But there are also opportunities to invest in small scale industries or even establish industrial parks both for domestic consumption or export, import and exports, and banking and insurances companies.

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.

5.1 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.

Summary of Ethical Investment Guidelines

- ▶ 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 spheres of their intervention areas/ projects.
- ▶ 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 children, whenever it is found necessary, they need to apply affirmative action in favour of women, such as at the time of recruitment, reduction of workforce¹⁰ and termination of employment.
- ▶ The church-based investments need to have a grievance handling mechanism for human rights related concerns that may 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.
- ▶ C-CROs firmly stand against any practice of corruption and whistle blow if observed
- ▶ Churches and CROs need to strongly collaborate with concerned government official to stop human trafficking with the territory of this country and to other countries.
- ▶ The C-CROs need to confront individuals abusing child rights.
- ▶ C-CROs need to integrate human rights issues into religious teaching curriculum.

¹⁰As 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.

5.2 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 and development of the environment of the area in which they operate to national and international accepted standards.

- ▶ Their environmental concern shall focus on protecting, developing and then sustainably use environment products for the sake of the environment itself and for the basic needs of the churches.
- ▶ Church based investments shall protect the environment and, where damages occurs immediately restore it.
- ▶ In addition to this, churches shall implement an environmental impact assessment before commencing investment and follow up as appropriate.
- ▶ Church shall adopt accepted environmental management systems, put in place compensation policy 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.

5.3 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 should provide worker written and signed employment 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 maternity/paternity leaves or flexy days as by the national labour and family laws.
4. Churches shall provide a legal contract with official signature of the contracting parties for any outsourced work.

Summary of Ethical Investment Guidelines

5. Churches shall make sure that their investments are providing work to the workers 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.
11. 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,
12. C-CROs must treat employees with respect and appreciation to ensure employees' sense of belonging to the recruiting institutions.
13. Churches shall ensure the development of sustainable and suitable working condition to all employees of the undertaking.
14. 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.

5.4 Sustainability of the Investment

1. Churches shall take all necessary measures to ensure the sustainability of their investment.
2. C-CROs need to undertake feasibility studies in areas of social, cultural, environmental (both physical and natural), technical, financial, economic, technological, political environment for investment conducive for churches.
3. 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.
4. 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.

Summary of Ethical Investment Guidelines

5. 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.
6. 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.

5.5 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.
5. 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. Asset registration upon receiving, issuance procedures and disposal procedures need to be in place.
7. Church-CROs have been given the right to invest and also run businesses are not exempted

6. Conclusion

Asset management including human capital, financial capital, natural capital etc. is a corner stone for the continuity of churches and church relation organisations. To stay relevant in society and obedient stewards for caring of God's creation, churches should play prime role in environmental protection and creating ethical competent citizens. Globethics, AACC and Bread for The World mobilized resources to strengthen the capacity of churches and church related organisations in assets management during the last four phases of African Church Assets Programme (ACAP I-IV). During this series of phases a methodological framework called L.E.G.S. (leadership, ethics, governance and sustainability) for managing assets. ACAP brought significant differences in the mindsets of churches' leaders in relation to asset management, created the need for making available ethical leadership and governance systems in place and sustain changes brought in social and economy.

Summary of Ethical Investment Guidelines

As needs increase with growing membership in churches, diversifying income sources becomes inevitable. It is therefore, starting or expanding sources of income ethical investing is one of the best options for churches and CROs using the investment opportunity provided by law in Ethiopia for CSOs including churches. To become effective and efficient players and also to become model for secular investors, churches and CROs need to develop ethical investment guideline that does not derogate doctrinal or socio-cultural aspects of society. Ethical investment, therefore, is to be adopted by Churches and CROs as the part and parcel of the asset management and a roadmap to guide all actions and management practices in the circles of faith based organisations.

7. Way forward to Ethical Investment

Based on these ethical investment guidelines churches and CROs shall develop investment that are environmentally friendly for their respective organisations. Churches and CROs shall develop strategic plan using ethical lenses in project design, business plan that serve as a benchmark for future ethical investment.

Churches and CROs shall collaborate on ethical investment and advocacy, development of the guidelines on ethical investment from which individual church can adopt to their situations, share best practices and lessons with one another. Endeavour 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.

Churches and CROs should active participants in social services (health and providing quality education, conference centres, hotels and tourism etc.).