

AI members only

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To: All Sections

From: International Executive Committee

Date: November 1999

## **Revised Proposed Guidelines for the Acceptance of Funds and Fundraising by Amnesty International**

### **Summary**

These guidelines were adopted in principle in 1999; subsequently minor changes suggested at the ICM have been incorporated and they are now being reissued for the guidance of the movement. They are intended as a minimum framework for fundraising in the movement. Some sections or structures may choose to have more restrictive guidelines for their own internal purposes.

### **Keywords**

FUNDRAISING/

### **Distribution**

This circular is available to all sections and structures upon request.

### **Recommended Actions**

Please ensure this circular is brought to the attention of the Section Chair, Treasurer, Finance Director, Fundraising Director and others responsible for financial or fundraising matters.

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## **Introduction**

These guidelines were adopted in principle in 1999; subsequently minor changes suggested at the ICM have been incorporated and they are now be reissued for the guidance of the movement. They are intended as a minimum framework for fundraising in the movement. Some sections or structures may choose to have more restrictive guidelines for their own internal purposes.

### **I. Basic Principles**

- A. Amnesty International's independence, impartiality and credibility must not be compromised nor seen to be compromised.
- B. Amnesty's primary basis of financial support must remain our membership -- our members and supporters are our source of legitimacy as well as funding.
- C. In evaluating other potential sources of funding, consideration should be given to the need to avoid becoming dependent on any single source of support that may be withdrawn due to:
  - structural issues (economic difficulties, strikes, funding programme expiry dates)
  - sponsor displeasure with Amnesty's policies or campaigning activities

In order to avoid dependency, in general funding which would represent more than 25% of a structure's annual budget must be approved by the IEC.

- D. Amnesty structures should only accept external funding for which they are prepared to be fully accountable in terms of financial management, programme monitoring and evaluation.

In particular, sections applying to foundations or other organizations for financial support should be sure to obtain all requirements for reporting, monitoring, and financial accountability before making the application, and should provide the Director of International Fundraising with copies of any requirements which apply to the grant being requested if the funds involved are more than 25% of the structure's budget. If funds secured from external sources are to be "passed through" Amnesty to other associations and organizations, the extent to which Amnesty is responsible for the accountability of these organizations should be clear.

- E. In general, contributions for research on a particular country are not permitted. Funds for development in a particular country require SDC approval if the funds are to be transferred from a section to another section or structure and IEC approval otherwise (see Earmarked Funding Policy).

### **II. Transnational coordination**

- A. In general, donations to Amnesty from individuals or other entities located within a country which has a section should go to that country's section and if there is no section, to the international budget. Exceptions (such as particular legacies) must be approved by the IEC.
- B. Approaches to foundations or individuals who fund projects internationally are to be cleared with the section where the source is located (e.g., Ford Foundation -- AIUSA; Branson Foundation -- AIUK). This is to ensure coordination in case that section is already involved with the foundation, and to ensure that the foundation does not compromise Amnesty's reputation. For example, some foundations are supported directly by political parties or governments; it may also not be a matter of public record where the foundation gets its money so that the section may have information that is not otherwise available. The best source of information on the reputation of a particular foundation should be its home country section.
- C. Similarly, approaches to headquarters of multinational corporations should be cleared with the section where the company's headquarters is located (e.g., Levi Strauss -- AIUSA, Nokia -- Finland), unless there is no section there, in which case the approach should be through the Director of International Fundraising.
- D. The Director of International Fundraising and the section where the organization is headquartered should be consulted regarding approaches to national or local subsidiaries of corporations or foundations, for the same reasons as indicated above.
- E. Other circumstance may require international consultation, for example when the fundraising activities are to take place in more than one country or when others in the movement (for instance, a section in a neighbouring country) may be affected by individual section fundraising decisions such as affiliation with a particular funder. Consultation is mandatory, but, on one hand, any section may choose not to participate in multinational efforts and on the other hand, no section can impose its standards on other sections so long as the international guidelines are followed. The IEC should be consulted should any difficulties arise.
- F. See also general corporate fundraising guidelines below.

### III. Government Funding

- A. The general principle is that Amnesty accepts no direct national government support. This is an important source of the credibility of the movement and exceptions should be made only in very limited circumstances.
- B. Indirect government support which is available equally to all charities or employers (such as tax exemptions, employee subsidies, etc) is permitted. In-kind contributions specific to Amnesty (such as rent-free offices, donated equipment, etc) must be approved by the IEC. (*see also Item I.C regarding dependence*)
- C. Legislatures, judicial entities, and embassies are all part of "national governments" and therefore, in general, funding from them is not permitted.). In addition, funding from state, local and regional governments should be treated in the same way as that from national governments if the entities involved may be responsible for human rights violations (e.g., municipal police).

- D. In general, funding from foundations funded by governments, intergovernmental organizations and state industries may not be accepted if the governments have any control over funding decisions. Consult the IEC should doubts arise.
- E. Contributions from governments for relief may be accepted, but not if targeted for specific individuals or for refugees from a specific country.
- F. Contributions from governments for Human Rights Education may be accepted, but IEC approval should be sought.
- G. In the case of either III.E or III.F, ongoing functions and personnel costs may not be underwritten by such funding. Questions regarding specific projects should be directed to the IEC.
- H. From time to time at the international or section level Amnesty International will join with other organizations to undertake certain activities consistent with its purposes. It may be that Amnesty International's partners in such associations are able to receive government funding, and it seems appropriate for the association itself to receive such funding for a particular purpose. In general this may be acceptable if the funds are not under the sole control of Amnesty International. In general, if such activity is contemplated by the International Secretariat or by sections, approval should be sought from the International Executive Committee. *(see also the guidelines on Subsidiary and Partner Organizations)*

#### **IV. Corporate funding**

*Note: This section of the Fundraising Guidelines may be revised as the Amnesty International policy on company approaches evolves.*

- A. Amnesty International structures may not seek support from companies known to be involved in human rights violations. This extends to civil and political rights and to economic and social rights (e.g., forced labour, child labour).

This may in some cases go further than simply avoiding companies we know to have committed, or been complicit in, human rights violations. A mining company, for example, may be working with Amnesty groups to improve its human rights record but still be in joint venture relationships with governments we consider to be human rights violators. In a case like this, even if the company is taking positive steps and working closely with human rights groups, receiving funding from that company could damage AI's image.

Examples of companies likely to get involved in violations of civil and political rights would be resource companies who have little choice about where they operate (mining, oil, timber and other extractive industries), while other industries like clothing, food, etc. are more likely to violate labour rights.

- B. Approaches to companies on human rights questions should never be combined with a request for funds. Should a contribution be offered by a non-target company during the course of discussions it is not necessary to refuse the contribution, but it must be made clear that the

purpose of the visit was not fundraising. Contributions should not be accepted from target companies even if they are offered.

- C. Many companies manage their charitable activities through independent or quasi-independent foundations: Pepsi-Cola, Levi-Strauss, IBM and Reuters for example. The same guidelines that apply to companies should apply to their foundations.
- D. Sections should always, before approaching a company for funding, check with that company's home section for advice about the reputation and practices of that company. There are also online and other sources of data on companies which should be used to screen potential funding sources. In the end, there is no guarantee that any company is "safe," and the decision to accept funds must be a matter of the section's, the IS's, or the IEC's judgement. When in doubt, consult the IEC.
- E. The criteria above should also be applied to cases of company "sponsorship" -- ie., when a company contributes a resource to Amnesty in return for public acknowledgement of its support. Such a relationship must always include protections for AI in terms of the use of our name and logo; all sections should have their trademark registered with appropriate national agencies (such as the U.S. Patent and Trademark Office) before reaching such an agreement, and contracts should be reviewed by lawyers with experience in licensing and sponsorship. Any licensing of the Amnesty International name or logo on an international basis should be coordinated by the Director of International Fundraising.
- F. The same rules apply in general to "second level" companies; that is, companies that may be partners of, shareholders in, clients of, have as clients or be otherwise connected to corporations that may be problematic for Amnesty International. For the purpose of deciding whether the level of involvement is at a level high enough to trigger the application of the guidelines, in the case of shareholding, the standard generally applied by ethical screening organisations is either a "materiality test" (typically, Does the partner own more than a 3% share in the problematic company?) or a "management control" test (Does the partner exercise any management control over the problematic company?) While relying on screening done according to these guidelines is acceptable for Amnesty International, sections who are able to do their own screening are free to use a more stringent test.  
In the end, the decision about whether such connections are a bar to fundraising should be made on the basis of concern for Amnesty's overall reputation with the membership and the public. Any sponsorship or other form of corporate support arrangement should include provisions for Amnesty to review and, if necessary, terminate the relationship if new information damaging to Amnesty's reputation comes to light.

## **V. Merchandising and ethical procurement**

Sections and the IS should be careful to apply the same criteria to our own suppliers (e.g., for catalogue merchandise, office supplies) and partners that we urge other organisations to apply. A useful model for making judgments in these matters is outlined below, which is excerpted from the policy on "Ethical Procurement" adopted by AI-UK in December 1997. It lists four criteria by which to judge potential suppliers and other partners. However, as the Amnesty International policy on company approaches evolves, it is expected that this section of the guidelines will be revisited.

- A. **Mandate Test:** Where a supplier or its associate, subsidiary or parent is in direct contravention of the mandate of Amnesty International, AI-UK will not do business with that company. This includes, for example, any company engaged in the supply of military, security or police equipment in respect of which AI-UK is making a cessation call. Evidence for this test will come from AI's own research.
- B. **The UDHR Test:** where a supplier or its associate, subsidiary or parent is engaged directly in activities which constitute grave breaches of the standards established by the UDHR, AI-UK will seek an alternative supplier. Evidence for this test will be based on any evidence brought to our notice from a relevant reputable organisation and from monitoring relevant subscription materials.
- C. **The Public Perception Test:** Where it is determined that the public perception of an association with a supplier may be detrimental to AI-UK's reputation, standing and/or effectiveness, alternative suppliers will be sought. The primary focus will be on making a judgment of the likely concerns of members and potential members.
- D. **The Positive Test:** where other considerations (cost, quality, etc) are not significant determining factors, AI-UK will give preference to suppliers who have themselves adopted ethical policies which most closely match our own, including adoption of the AI-UK Human Rights Guidelines for Companies.

## **VI. Approval Procedures**

- A. To approach the subsidiary of a foundation or company headquartered in a country with another AI section: consult with the Director of International Fundraising and seek approval of the fundraising unit of the home country section.
- B. To apply for or accept government funding inform the Director of International Fundraising, seek written approval of the International Executive Committee through the International Treasurer.