

Acceptable Funds Policy

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Partnership with integrity

The aim of this policy is to establish transparent guidelines for relationships between the Strømme Foundation and private sector and major public sector or institutional donors.

Strømme Foundations (SF) goal is to strengthen the organisation's contribution to lifting people out of poverty in a lasting way. SF plan to do this through innovative and evidence-based programming and fundraising. Sustainable Development Goals (SDGs) can only be realised with strong partnerships and cooperation. Strømme Foundation seek strategic partnerships with partners in international institutions, public sector, private sector, civil society, and individuals. The SDGs recognise that investment in innovation is a crucial driver of economic growth and development, and SF will therefore strive for more innovation in our programmes, operational approaches, and resource mobilisation.

Any collaboration between Strømme Foundation and an external partner must be in accordance with our overall principles and articles of association, and not undermine or be detrimental to Strømme Foundation's core values, goals, and mission. We cannot accept donations that counteracts our vision and values. It is also of great importance to us to be transparent, both for us and all our partners.

Strømme Foundation is a rights-based development international NGO that works towards a vision of a world free from poverty, and our mission is to eradicate poverty. SF's values are dignity, justice, and solidarity. These values will serve as guidelines when it comes to accepting funds and donations.

The aim of Strømme Foundation is to be a preferred partner for socially responsible institutions, companies, and organisations, who want to actively contribute to the promotion of values of human dignity and sustainability, and anchor them throughout their organisation. By implementing this policy, SF will have a formal set of guidelines that determines under which conditions SF should decline a donation to prevent high-risk or inappropriate donations from being accepted. This policy is also aligned with Strømme Foundation's Matrix of Authority.

A donation is defined as:

- Cash
- Gifts in kind/pro bono support
- Shares and bonds
- Real estates
- Testamentary gifts

The Norad Grant Agreement and Strømme Foundations private donors are the two main pillars in the funding of SF's development operations, and they are invariably interdependent. SF's long-term agreements with Norad are crucial for the quality stamp of our work that gives us trust among our private and corporate donors. On the other hand, SF's legitimacy as a Norad partner is largely dependent on our donor base in Norway. It is crucial that SF finds a balance between the two, where our own organisational identity shines through. The Strømme Foundation distinguishes between six main categories of donors:

1. Private donors
2. Private companies
3. Philanthropy and foundations
4. Larger institutional donors and public sector
5. Consortium
6. Bilateral and multilateral donors

Assessment criteria

The independence of Strømme Foundation shall be protected under all circumstances. Strømme Foundation should exercise caution when considering a donation or entering a partnership that can result in:

- A violation of our ethics statement
- Expected negative impact on the mission of our organisation
- A great risk that the investment we make in terms of time and resources, is not worth the return we get
- Unacceptable financial risk
- Unacceptable risk to SF's reputation or brand.

Strømme Foundation neither seeks nor accepts support from donors that are associated with gross and/or systematic violations of generally accepted ethical standards. This includes:

- Violation of international humanitarian law, and violations of human rights or labour rights
- Acceptance of corruption
- Damage to the environment
- Manufacture, distribution and sales of arms

No engagement can be undertaken with companies and funders where a substantial share of the profit derives from production, distribution and sales of products that are widely recognised as seriously deleterious to health, such as alcohol, tobacco and drugs. Strømme Foundation will not accept support from individuals, foundations, and private companies whose core business is linked to pornography or gambling.

Beyond the exclusionary criteria outlined above, the decision of whether to accept support from a donor will generally require weighing the potential benefits against potential risks. Cautionary criteria are often more qualitative in nature, and therefore do not allow for clear thresholds. Strømme Foundation shall show great caution when working with donors associated with a lack of respect for and commitment to, equality and diversity, democracy, national laws and regulations, international treaties and social responsibility.

For foreign investments, SF will as a minimum follow advice from the Council on Ethics for the Government Pension Fund Global and conduct an annual review of all our partners.

Exclusion decisions should be based on thorough reviews rooted in these guidelines. SF has made a checklist for this review.

Donor risk assessment

The scope of a donor risk assessment must be adapted to the risk, the size of the agreement, and the duration of the agreement. For example, in the case of short-term agreements with a limited monetary value, known to the counterparty and low risk, the assessment can be simplified. The assessment should preferably be carried out in collaboration with the donor that is the subject for the survey but can also be done without the donor in question being aware of it. The Acceptable Funds Checklist will be used for this donor risk assessment.

It is important to emphasize that the risk assessment must be carried out in advance of the relationship being established and when existing donors renew their framework agreement. SF's Reference Group will undertake the assessment, and when needed they will consult the Leadership and the Board.

SF will use different kind of public information such as annual reports, CSR/sustainability reports, history/media coverage, who else receives donations from this donor, ownership structure and legal disputes, in order to take an informed decision about whether SF will cooperate with the donor. In large and complicated cases, an external statement should be obtained from a relevant body, such as organisations that are monitoring human rights violations and environmental damage. Such risk assessments will help to ensure long-term value creation in Strømme Foundation through reducing the risk of receiving unwanted donations while at the same time ensuring compliance with our values and social responsibility.

SF has created a Self-declaration form that all larger donors (donations over NOK 1 million) must sign before the relationship is established.

Reference Group

SF has established a Reference Group to serve as a body to ensure that the policy is adhered to. The Reference Group shall consist of representatives from the Communication Department, International Department, Financial Department and the regions when this is relevant. The Reference Group has the mandate to do the risk assessment and accept donations below NOK 1 million. Donations over NOK 1 million must be approved by the Secretary General upon advice from the Reference Group and donations over NOK 5 million must be approved by the Board.

In case of an incident

If a donor has violated the Strømme Foundation ethical guidelines, the case will be discussed in SFs Reference Group. If the donation is deemed to be risky, it will be referred to the Leadership. Larger donations (over NOK 5 million) must be reviewed by the Board, before a decision of exclusion will be made. If a donation or partnership is declined, then the Strømme Foundation will let the donor know as soon as possible.

Roles and responsibilities

The Communication Department and the International Department (in the case of public and institutional donors) are responsible for coordinating the Reference Group and initiating the contact, implementation and process. A risk assessment, using the Acceptable Funds Checklist is performed at the beginning of the development of the partnership with the donor and when existing donors

renew their framework agreement. The assessment report will be reviewed and updated on an annual basis for all SF's larger donors, after the annual report is ready, or in the event of a significant negative publicity event. This policy will be reviewed and updated every second year.