

# Background information & Code of Ethics and Conduct

**Quito, May 2009**

1. Introduction
2. History of the Yanapuma Foundation
3. Vision and mission of the Yanapuma Foundation
4. Development programs / projects
5. Means used to achieve objectives
6. Fundamental principles
7. Operating principles and standards
  - 7.1. Organizational Integrity
  - 7.2. Organizational mission and activities
  - 7.3. Governance
  - 7.4. Human Resources
  - 7.5. Financial Transparency and Accountability
  - 7.6. Legal Compliance
  - 7.7. Public Trust
  - 7.8. Fundraising
  - 7.9. Partnerships and Collaboration
  - 7.10. Continuous Improvement

# 1. INTRODUCTION

Since the inception of Yanapuma in 2006 the organization has grown steadily. We started out with a great deal of enthusiasm and a strong commitment to helping marginalized communities to develop sustainably, but with little real experience or know-how. We launched ourselves into our first projects in order to get some results under our belts and assure potential small funders that we merited their attention. Since then we have matured considerably as an organization, with a steep learning curve, that has given us, after two and a half years of operation, a much clearer vision for the future development of the foundation and its mission.

We have created this document, our code of ethics and conduct, as a means of defining in suitable detail our approach - to our daily work, our environment, our internal and external relationships, and the administration and financial management of what is becoming an increasingly complex organization. As such, it is a work in progress, with a good portion of the principles and standards already operationalized, while others remain under development.

We take a realistic view of the overall process, recognizing that it will take time to get everything in place, and that there will inevitably be updates from time to time. But we remain pledged to seeing the process through, aware that the code of ethics and conduct functions as the compass of our organization – a constant pointer that will inform each stage of our future development internally, and provide a clear definition for outsiders taking a serious look at us.

This document serves several constituents – the foundation staff, volunteers and interns, the communities and projects that we work with, our partner organizations and funders, and the Spanish school and its students and teachers. Each has specific needs, and we strive to include these along with the more general principles implied in such a document.

In the creation of this document we have been guided significantly by the standards established by WANGO (World Association of Non Government Organizations), because these standards provide a universal view of the role and responsibility of any NGO<sup>1</sup>. But we have also taken into account local conditions and our specific situation and long-term objectives. Thus, this code of ethics and conduct will serve us in the coming years as an invaluable tool for the consolidation and growth of the foundation.

*Andrew D. Kirby*

**Executive Director**

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<sup>1</sup> Information used in preparing this code of ethics was provided by the World Association of Non-Governmental Organizations (WANGO), however WANGO has not reviewed the final code nor has it certified the compliance of the organization with the code.

## 2. HISTORY OF YANAPUMA FOUNDATION

The 8 original founding members of Yanapuma Foundation came together in August of 2006. Composed of 6 Ecuadorians, 1 American and 1 British citizen. Presently 6 founding members still work for the Foundation, having the following roles:

- Andrew D. Kirby: Executive Director
- Azalia Cruz: Project Director
- Maria Cabrera: Administration
- Elizabeth Garofalo: Treasurer
- Vinicio Quinchiguango: Social Director
- David de la Houssaye: IT Management, partner in EOS Ecuador (travel agency that promotes community-run tourism)

### Legal information

Yanapuma began operation on 1 September 2006, although full legalization of the foundation under the Ministry of Social Welfare (#0680) did not take place until 18 December 2006.

At the start the Spanish School and the Foundation were two separate entities, a move that was undertaken primarily in order to be able to open the school straight away. The Spanish School was set up as an ACP (Asociación de Cuentas en Participación), the most basic form of company under Ecuadorian law, and reasonably fast to initiate. In December of 2008 the school was combined with the foundation as one legal entity to facilitate legal and financial dealings, although accounting is still maintained for each in order to assess performance.

The idea from the start was to create a largely self-financing organization, able to pay its own basic administrative costs, originally mainly through the development of the Spanish school for foreigners. Later, volunteer groups and individual volunteers became an additional important source of funding. Now, in the middle of the 3<sup>rd</sup> year of operation, that vision is beginning to turn into a reality as the school continues to grow and considerable numbers of volunteers are working on our Volunteer Ecuador program.

Additionally, Yanapuma received donations from small donors; schools, daycare centres, and individuals who were happy to know that all their donation would go towards a particular project. These donations typically averaged up to \$2000 but have been up to \$13000. During 2009 the foundation expects to receive added external funding of around \$35,000 from donors.

Yanapuma worked during the first years of its existence with indigenous communities throughout Ecuador, in the Andean sierra, the Amazon rainforest, and at the Pacific coast. The founders of Yanapuma feel that now, after passing through the first organizational development stage, which was characterized by a “jump in and learn to swim” approach the time has come to enter a new development stage, consolidating ourselves as an organization and strengthening our focus, especially in the area of environmental education.

This approach involves working more closely with local authorities, especially in education. The benefits are that we can work to include more environmental education in the general curriculum, generate awareness of ecological issues in students, improve the infrastructure and pro-ecological behaviour of rural and marginalized schools, and use schools as a platform for reaching a wider audience in each community.

### 3. VISION AND MISSION OF THE YANAPUMA FOUNDATION

Yanapuma is a cooperative and partly self-supporting non-profit organization driven by the enthusiasm of its national and international staff and volunteers to work towards the realization of its vision.

**Our vision** is of marginalized communities achieving equity and well-being, economic, social and ecological sustainability, and developing a sense of the uniqueness of their culture and place. We envision also accessible communication between members of developed and developing countries that fosters an understanding of their inter-relationship and interdependence within the global context.

**Our mission:** Yanapuma foundation aims to alleviate poverty and implement sustainable development through capacity building in marginalized populations, by balancing income generation with environmental stewardship, education, and well-being in accordance with the Millennium development goals and Ecuador’s national development policy. Furthermore we work to create opportunities for cultural exchange between members of developed and developing countries for mutual benefit and learning, by implementing educational and volunteer programs.

### 4. DEVELOPMENT PROGRAMS / PROJECTS

Development programs / projects of Yanapuma that are connected to the first part of our mission will be focused on the following objectives of the MDG:

- Improved educational levels and capacity development
- Alternative sources of income generation
- Improved community health through health promotion especially with children and mothers
- Environmental protection and sustainable agriculture

These activities are closely linked to development objectives of Ecuador as documented in the National Development Strategy 2007-2010. This plan works to “recuperate a vision of development that privileges well being, presupposing the increase in liberties and opportunities to improve one's own lot in life and the understanding that to reach this each one must work together.”

They are also linked to country strategies as espoused by the European Union, InterAmerican Development Bank and World Bank. Specifically the European Union Strategy 2007-2013 recognizes the blunt reality that:

“The dual factors of a lack of political representation for marginalized sectors of the population and an extremely unequal wealth distribution combine to create a high level of extreme poverty (19%) and an alarming rate of inequality and exclusion.”

The foundation strives to work in an integrated manner across these axes on a local level, creating positive models that can readily be copied by surrounding communities. The change that we seek to create is based on the actions and motivation of the people themselves. Indeed, without their participation and courage we would not exist as an organization. In addition the foundation undertakes programs on a regional and national scale that fit within its mission.

The foundation has also seen cultural exchange as a key component of its Language school and its Volunteer Programs. We have developed special courses that introduce students to the social, ecological and economic reality of Ecuador as well as Latin America in general. Our volunteers not only experience cultural exchange first hand by living in small local communities fully integrated in their daily life, but also are trained beforehand in cultural awareness.

In addition we promote cultural exchange in line with international education programs such as the Global Dimension in Education promoted in the UK by the Department for International Development to create links between people in developed and developing countries as a means of raising awareness of the interdependence and inter-relationships that bind us all together in a global context.

## **5. MEANS UTILIZED TO ACHIEVE OBJECTIVES**

Yanapuma seeks to achieve its objectives through an integrated strategy for sustainable development that is based upon encouraging participation and collaboration and avoiding paternalism. Its programs and projects are targeted to help Ecuadorian communities to help themselves to improve different aspects of their standard of living on a sustainable basis.

Participation is seen by Yanapuma as a vital component of any project in order to ensure its sustainability, with the foundation seeking to manage processes collaboratively with the community, encouraging ownership and building capacity for future actions. Moreover,

participation is crucial to improving the organization and motivation of local beneficiaries, empowering them to believe in themselves and a better future. This approach also avoids paternalism and encouraging dependency by communities on the continued presence of the foundation. Yanapuma is committed to these change processes and considers this commitment a fundamental principle of the foundation both in the communities in which it works and in its internal working environment.

This vision of participation and action is rooted in the intellectual tradition of Amartya Sen's human development approach and Robert Chambers Participation, Learning and Action Approach. Amartya Sen highlights the importance of an integrative approach that increases the human capabilities of people, enlarging their choices and opportunities while also caring for the ecological environment. In this way it is a process of enhancing people's choices, both for present and future generations without sacrificing one for the other. In addition, Robert Chambers signals how participation is a process of group learning, analysis and interaction, requiring multiple perspectives, context specific interventions, and a process of dialogue and joint analysis.

Yanapuma offers the communities its own expertise as well as connections to technical experts, both national and international in the process of sustainable development. Yanapuma helps with these processes as well as helping to develop specific plans and projects in health, environment and agriculture, education and income generation. The foundation will then seek collaboration with other agencies and organizations to deliver the services that are beyond its own area of expertise or scope.

In order to ensure that objectives are achieved in an effective and efficient manner and that the results of the organization's work have a permanent character, Yanapuma commits to carrying out monitoring and evaluation of each project during and after completion. Projects have both practical and social aspects, which is to say that Yanapuma will evaluate the success of a project from a technical perspective (does the project actually function – as in the case of an ecological toilet, for example) as well as from a social/cultural perspective (is it used and maintained correctly, or are there cultural barriers that prevent proper use).

Each project has its own Key Performance Indicators, depending upon the nature of the project. These are established at the start of each project and appropriate methods are designed to effectively evaluate the outcome. In evaluating a project local stakeholder opinions play an important part and community members views are gathered.

An additional aspect of evaluation relevant to many projects is the level of sustainability achieved; the extent to which know-how has been transferred to local actors to allow them to continue the processes in the absence of the foundation.

The final important function of our evaluation and monitoring processes is to assess aid effectiveness; have we delivered the maximum result for the resources used in each project. This requires an honest appraisal by Yanapuma staff involved in the project with the aim of increasing our effectiveness in future operations, and becomes an essential part of reporting to donors on the outcome of their project funding.

## 6. FUNDAMENTAL PRINCIPLES

### **Yanapuma is committed to:**

- conducting its activities only for the sake of communities in different parts of Ecuador, without seeking gain for the organization or its individual members
- working collaboratively with communities where it is invited to work, always conscious that the the foundation is there at the community's request, and that the community has the right to ask Yanapuma to leave or to desist from carrying out one or other project
- using public financial resources in a responsible way only for the purposes of common good
- working without promoting political or religious views, or bias on the basis of culture, race or ethnicity, and to cooperate only with organizations and individuals that share the same values
- respect any person 's fundamental human rights and dignity as well as the right of freedom of thought, conscience and religion. It will be sensitive to the moral values, religion, customs, traditions, and culture of the communities where it works
- strive for transparency and accountability towards all its stakeholders
- be truthful in its dealings with stakeholders and respect the laws of the jurisdiction in which it conducts its activities.

## 7. OPERATIONAL PRINCIPLES AND STANDARDS

### 7.1. Organizational Integrity

Yanapuma is a not-for-profit-organization. It will not be operated for the primary purpose of carrying on a trade or business that is unrelated to its purpose and stated objectives. The organization is non-governmental, politically independent and will not act as an instrument of government foreign policy. It governs itself according to a governance structure it selects for itself.

The organization has been formed by private initiative, resulting from the voluntary actions of individuals based on shared concern. It welcomes meaningful contributions from volunteers to its activities. Members of a Board of Trustees will serve as well as volunteers without pay.

Any surplus that is generated through its operations will be utilized solely to help the organization fulfill its mission and objectives. Its earning or assets will not in any way benefit members of the organizations, except in case of contractual obligations.

Yanapuma will create organizing documents that clearly define the mission, objectives, governance structure, membership rights and obligations, if any, and rules of procedure. It will establish an organizational structure with regular meetings and activities.

## **7.2. Organizational mission and activities**

Yanapuma will state its mission in written form. It will serve as a foundation for strategic planning and provide guidance for organizational activities.

The mission document has to be approved by the Board of Trustees which shall fully understand and support the stated mission. It will be reviewed periodically. The mission statement will be available to anybody within the organization as well as the general public.

Activities shall be consistent with the mission of Yanapuma. Programs and projects will be conducted in a way that the mission will be achieved in an effective and efficient manner.

The organization shall regularly seek feedback on its activities from project beneficiaries, as well as other stakeholders.

The activities of the organizations shall be critically examined periodically to determine their relevance to the mission, their efficiency and effectiveness, the value of continuing the programs or revising them, and the need for new programs.

The organization shall strive to spend most of the total expenditure on program / project activities.

## **7.3. Governance**

Yanapuma believes that an effective governance structure and a committed Board of Trustees are essential to achieve its purpose as an organization.

Yanapuma will:

- establish a plan of governance that will allow it to fulfill its purpose
- create documents that lay down rules about how the Board of Trustees will conduct its business
- elect at least 3 Trustees to form a Board of Trustees. These will offer substantial contributions to the organization itself and its purpose and come from diverse backgrounds. Additional elected Trustees may include one member of a community with which Yanapuma works, or one employee of the foundation, or one of the Founder Members. The Trustees will not be closely family related and will serve voluntarily without remuneration. Expenses

directly related to the board duties will be reimbursed. Membership of the Board of Trustees is limited to 3 consecutive terms each term lasting 3 years.

- distribute bylaws of the foundation to each Trustee who will be familiar with them before taking his position on the Board of Trustees

**Responsibilities of the Board of Trustees are:**

- to consider and approve the mission statement, review it periodically and revise it when necessary
- to consider, approve and monitor the programs of the foundation
- to ensure that the proper resources are available and are used effectively, the objective being to reduce the resources used for administration and fundraising purposes to a minimum
- to approve the annual budget
- to approve and support the fundraising process as appropriate
- to take an active part in the selection of the Executive Director, support his or her work in every way possible and evaluate his or her performance
- to approve and monitor the compensation package of the Executive Director and leading staff of the organization
- to approve and oversee strategic planning processes
- to approve a Code of Ethics and Conduct and assure compliance
- to serve as ambassadors of the organization.

The Board of Trustees will meet as frequently as is necessary to fully and adequately conduct the business of the organization. The number of annual meetings will be decided after the first meeting by the Trustees themselves and become part of the Code of Ethics and Conduct.

Minutes of each meeting are to be produced, to be distributed to each member of the Board of Trustees and to be archived. The minutes will be available to the founding and non-founding members, with exception of discussions relating to confidential information.

The Board of Trustees is responsible for its own conduct. It will adopt or establish written expectations for its members.

**In order to avoid conflicts of interest, the following rules will be put in place:**

- Trustees will put the interests of the organization ahead of personal ones
- Trustees will not participate in deciding a matter directly impacting them
- Trustees will disclose all potential and actual conflicts of interest
- The Board of Trustees will adopt or develop a written conflict of interest policy that will apply to the Trustees and any staff and volunteers who have significant decision-making authority regarding the organization's activities or resources, as well as relevant organizational partners
- Members of the Board of Trustees will sign a written conflict of interest policy at the outset of each term of service and should decide which members of the organization should also be required to sign the document
- A policy will be established concerning loans to members of the Board of Trustees.

#### **7.4. Human Resources**

Yanapuma shall provide proper training and orientation for new staff and provide suitable working conditions. It will have a written human resource policy for its staff covering different aspects of employment including paid staff, volunteers and interns.

The organization will offer opportunities for individual growth and staff development. It will treat all staff with fairness and equity, and honor and defend individual rights.

Yanapuma will maintain its commitment to equal rights and opportunities, regardless of gender, age, race, culture or creed.

Staff members shall receive a copy of Yanapuma's Code of Ethics and Conduct and any written human resource policies. They will be encouraged and guided to act according to the highest standard of professional and personal conduct, and to take responsibility for their actions and decisions.

A procedure will be put in place that allows anyone to communicate serious concerns to the Chief Executive Officer, respectively to the Board of Trustees.

Guidance shall be provided to staff that has access to official documentation or information concerning respecting confidentiality.

Staff with decision-making power will receive a written statement that will deal with potential conflicts of interests. The statement should be signed when a person starts its service at

Yanapuma.

Staff members shall not use their position for personal benefits and work in the best interest of Yanapuma.

Yanapuma shall establish a policy regarding gifts to staff members.

Yanapuma will compile a set of by-laws that specifies its procedures and rules for dealing with all aspects of the work of the foundation and Spanish school.

#### **7.5. Financial Transparency and Accountability**

Yanapuma shall put procedures in place that secure financial transparency and accountability. These are:

- Members of the Board of Trustees hold ultimate responsibility for the organization
- The Board of Trustees approves the annual budget
- The organization will prepare regularly internal financial statements and provide them to the Board of Trustees. Significant variations between actual and budget have to be explained to the Board of Trustees
- The organization will establish financial policies
- Internal control procedures shall be put in place that safeguard against a person having the power to issue a check to himself or herself
- The financial reports will be subject to audit by an independent, qualified accountant.
- The organization shall adhere to professional standards of accountancy and audit procedures as stipulated by the Ecuadorian law, and fulfill all financial and reporting requirements.

#### **7.6. Legal Compliance**

Yanapuma shall take all necessary steps to assure legal compliance:

- The organization's activities, governance, and other matters shall conform to all Ecuadorian laws and regulations.
- The organization shall obtain attorney review of its organizing documents to make sure that they are in compliance with existing laws and regulations and shall make use of attorney

services whenever appropriate.

- The organization shall have a liability insurance as far as is possible within the country where the organization operates.
- The organization shall periodically conduct an internal review regarding legal compliance. A summary of the review shall be presented to the Board of Trustees.

## **7.7. Public Trust**

Yanapuma is committed to develop and maintain trust of all stakeholders. The organization will:

- provide accurate information to donors, members, clients, staff, media, policy makers and the general public in a timely manner. The information shall be presented with proper context
- have clear guidelines and approval processes in place for the issuing of verbal and written statements
- present information in a fair and unbiased manner. Where a possible bias is unavoidable or inherent, it is to be disclosed
- assure that its statements reflect its actual authority
- prepare an annual report about its activities and make it available to the public
- prepare basic financial information and make it available to the public
- list the names of its Board of Trustees and management staff, publicize changes and provide access to minutes of meetings of its governing board
- inform in a timely manner about new partnerships and collaborations
- maintain the confidentiality of personal information, unless an individual waives this right, or disclosure is required by law
- avoid making comparisons to other non-profit-organizations that serve the purpose of creating a self-benefit at the expense of others.
- provide communication channels for inquiries from the public
- appoint one person who assures the compliance to national and local laws regarding disclosure of information to the public.

## 7.8 Fundraising

Yanapuma will depend partly on funds coming from outside the organization to fund its programs and projects. The following principles and rules will apply to any fundraising activities and use of funds:

- the Board of Trustees will monitor fundraising activities
- funding will be only accepted that is consistent with its mission and fundamental principles and does not restrict its ability to address relevant issues
- all matters relating to raising and using funds must be handled in a truthful manner
- programs and projects are designed to meet the mission of the organization and not to meet the requirement of a funding source
- all solicitation and promotional materials have to be accurate and shall present the organization, its mission and its programs in a trustful, clear manner
- Donors will receive informed, accurate, and ethical information regarding the tax implications of potential gifts.
- Fundraising is conducted solely for the purpose of the organization's mission.
- If fundraising is done for a specific purpose, a plan for handling excess funds will be prepared, and where appropriate, information about the handling of excess funds be published in advance
- Donors will be informed whether solicitors are paid staff, volunteers, or agents of the organization
- the organization shall not provide compensation to fundraisers based on the percentage of contributions raised, nor pay a finder's fee.
- Fundraising promotions involving the sale of products or services shall indicate the duration of the campaign and the percentage of the sales price that will benefit the organization or a specific program
- The costs involved in fundraising shall be kept to a minimum. The organization will strive to stay below a ceiling of 33 1/3 % (fundraising costs/fundraising revenue) on an annual base
- The organization will only use contributions as promised or implied in fundraising appeals or purposes intended by a donor. Programs activities will be carried out in an agreed-upon manner. Alterations will only be made when the explicit consent of a donor has been received

- The organization shall ensure efficient and effective use of outside funds. The organization will set up a system to track expenditure, produce timely reports on the use and management of funds and make financial statements regarding donations available upon request
- Members of the organization shall not exploit any relationship with a donor or prospective donor for personal benefit or the benefit of other persons.
- Privileged or confidential information regarding a donor or a donation must be treated confidential and be safeguarded. Donors must have the opportunity to remain anonymous
- The organization shall have a clear and easily accessible privacy policy that informs the public about what information is being collected on individuals and donors, how the information is being used, how to review personal information collected and request corrections, how to inform the organization that the personal information must not be shared with outside parties and what security measures are in place to protect personal information
- The organization or its agents shall not use unethical solicitations.

## **7.9. Partnerships and Collaboration**

Yanapuma will cooperate with other civil society organizations, government and intergovernmental agencies, and for-profit-organizations when it seems beneficial to achieve its mission. Principles and rules that apply are:

- any relationship has to be consistent with the mission and is based on shared values, common ground and for the good of society. There should be an equitable and genuine mutual benefit for each organization. Relationships shall allow financial transparency and a two-way flow of information, ideas, and experiences. Changes in the relationship will be developed through cooperation
- In relations with other NGOs or civil society organizations competition and service duplication has to be avoided, information being shared and support be given to other NGOs, when this does not compromise the organization's own integrity or values.
- Partnership agreements with a government agency or intergovernmental body must be beneficial to the both parties, mission-led and not compromise its independence or self-control of the organization. The organization shall not change its policies in order to receive political favors.
- Relations with for-profit-organizations must be beneficial to the both parties, mission-led and not compromise its independence or self-control of the organization. Collaborations will not primarily be driven by the motivation to gain market advantage over competitors.

#### **7.10. Continuous Improvement**

Yanapuma will periodically conduct benchmarking studies, internal audits as well as surveys (internal/external) in order to continuously improve its own processes.