

**Lutheran Mission Cooperation
Minutes of the 47th LMC Board Meeting
24th of May 2016
Arusha**

1 Introduction

1.1 Morning Devotion

24th of May: Ms. Mary Laiser

Unity in the body of Christ. Ephesian 4:3-7 *Make every effort to keep the unity of the Spirit through the bond of peace. There is one body and one Spirit, just as you were called to one hope when you were called; one Lord, one faith, one baptism; one God and Father of all, who is over all and through all and in all. But to each one of us grace has been given as Christ apportioned it. We are one body, a unity to be worked on. To build the unity is Holy Spirit, but we need to learn, to learn from people that is different from us. In the Board we differ, we are from different places, different backgrounds and we have different experiences. Let the Holy Spirit unite us, teach us to respect each other and glorify the Lord.*

1.2 Opening of the 47th board meeting

The LMC chairperson opened the meeting by welcoming all board members.

1.3 Roll-Call

Bp. Dr. Israel-Peter Mwakyolile, LMC Chairperson

Bp. Isaya Mengele, ELCT

Ms. Mary Laiser, ELCT

Rev. Benyam Kassahun, ELCA

Ms. Anna Claesson, SEM

Mr. Loata Laizer Mungaya, ELCT DSG Finance and Administration

Apology

Rev. Manfred Scheckenbach, LMC Co-Chairperson

Mr. Lasse Lampinen, FELM

LMC Secretariat

Mr. Peter Karlsson, LMC Secretary

Mr. Sirieli Pallangyo, Administrative Officer

Sr. Flaviana Temba, Financial Officer

1.4 Acceptance of agenda and timetable

The agenda were accepted as presented.

1.5 Greetings and Updates

Israel-Peter Mwakyolile gave greetings from Konde Diocese. The 125 year anniversary celebration, reported in last board meeting, is postponed due to the ELCT Pastors Meeting that will be held in Dodoma in September.

Isaya Mengele had just come back from Germany and brought greetings. While in Germany, he had also visited refugee camps, seen how the church is working with refugees and meeting difference of opinion how to handle the situation. We need to pray for Europe.

Benyam Kassahun gave greetings from ELCA and the presiding bishop. The coming presidential election is affecting the whole community and also the church and we were asked to pray for the election and the nation.

Mary Laiser gave greetings from North Central Diocese and bishop's office.

Anna Claesson gave greetings from SEM and General Secretary Rev Stefan Holmström and Mission Director Rev Erik Johansson.

Loata Laizer Mungaya gave greetings from ELCT Common Work and the Secretary General.

1.6 Confirmation of Minutes of 46th board meeting

The minutes of the 46th LMC board meeting were confirmed as the correct records of the proceedings of the meeting.

1.7 Matters arising from previous meetings

1.7.1 Medical Loan Scheme

A report on the Medical Loan Scheme from the ELCT Medical Department was presented. The outstanding amount with hospitals is TZS 50 million. A follow up on the outstanding amount and on interest to be paid by hospitals will be conducted.

1.7.2 Theological Education Fund

The Theological Education Fund has been discussed at the ELCT Executive Council in April. The outcome of those discussions is presented below under 4.1 ELCT Matters

1.7.3 Report on support for Capacity Building in connection with ELCT Finance and Planning meetings

A narrative report from the ELCT Planning and Development Department was presented. The duration of the seminar was two days, one day longer than last year. The seminar was well attended and it had good topics. It would be highly appreciated, if it's possible, to cover this type of seminar in the next year budget for FTP.

A financial report will be sent out electronically to LMC Board members.

1.7.4 Future direction of LMC

At the June Board meeting 2015 the subject of LMC Future was discussed. Mr Stig Lundberg from Church of Sweden was assigned to write a paper on how to initiate a "Foreign Department" in the ELCT. On the 18th of February 2016 we received a paper on "Future direction of LMC" from International Department, Church of Sweden signed by Mr Peter Karlsson-Sjögren, Team Leader, Africa Team and Mr Stig Lundberg, Senior Advisor Global relations.

The paper was discussed in the LMC Board in March 2016. The Board appointed Bp Mwakyolile, Bp Mengele, Rev Scheckenbach and Rev Kassahun to meet before May Board meeting and come up with a conclusion and a suggestion how to proceed concerning the future of LMC.

After a thorough discussion at our Board meeting, the Board was of the opinion that LMC is an entity that works under the mandate of ELCT constitution and leadership. Therefore, we believe it is not necessary to transform LMC into a Foreign Department of the ELCT at this time. Since LMC functions under the mandate and guidelines in the form of a Memorandum of Understanding, integration of ELCT and LMC may not be necessary. Having said this, however we believe that there is always a room for improved working relationship within all ELCT institutions and departments.

If there is a need to change the current structure of LMC, we believe that a decision must be taken by the administration of ELCT and its leadership and not by the LMC Board (since the LMC Board works under ELCT leadership). At the present time, according to the information we received from ELCT, they have no objections to the current LMC role and mandate.

The LMC Board assigned the Chairperson to write to the Church of Sweden to thank them for sharing their opinion with us.

2 Reports and ongoing activities

2.1 LMC Secretary report

The LMC Secretary presented his report and it was received with appreciation.

Two subjects out of the report were discussed. The question of auditors is dealt in 3.2 Appointing New Auditors, see below. The subject of resident permits can be divided into two parts. The first part is the bureaucracy of government offices, i.e. Labor Office and Immigration Office and can only be dealt with by the office of the General Secretary. The second part is the ELCT Service Office administration and communication with applicants, dioceses and mission societies. It was suggested that ELCT analyze and establish administrative procedures and flowcharts for ELCT Service Office on routines for Work and Resident Permits.

2.2 BDF report

LMC Secretary presented a report on BDF. In the policy for the BDF it is stated that “Gender balance shall be observed when appointing candidates”. Out of 108 students 20 are females. The LMC Board encourages the bishops to pay attention to the shortcoming on the gender balance in the BD course in the future and it was informed in the ELCT Executive Council that if a diocese manages to appoint two women candidates for the BD, LMC will pay for both women students.

BD students have asked for upkeep during the leave. The dioceses have full responsibility for the student’s family and also for the student during their leave. LMC is covering the costs for transportation and according to TUMA fee structure for upkeep during the semester, tuition fee and an amount for research during the internship.

2.3 CBF report

The CBF report for the academic year 2015/2016 was presented to the board. This year there are 15 students and remaining students for the academic year 2016/2017 will be three students. There is no information since 2013 about Bp Sima studying a MBA at the Open University. A personal contact will be taken by the Chairperson to clarify the status of his studies.

2.4 FTP report

This year is the first year of the Further Training Program (FTP) – Group Training. A number of applications have arrived and the total amount is exceeding the budget of TZS 216 million. All requests are of high importance to the church, but the limit is the budgeted amount for the year. One of the application concerns Training on IFRS and the LMC Secretary requested to transfer the exceeding budgeted amount from the “Capacity Building” that has not been used to this group training.

The LMC Board resolved:

- To agree on to use the remaining amount in the budget for “Capacity Building” to “Training on IFRS”.

2.5 ODF report

There is one person that is benefiting from ODF, the treasurer of Dodoma Diocese, that was decided in the last Board meeting.

The LMC Board discussed the minimum level of education in key positions of dioceses. It is important that the diocesan leaders are enabled to lead their dioceses. New leaders, new dioceses and new elected people need to be capacitated for the new roles in the dioceses. The same group that is deciding the FTP applications is going to look into and develop guidelines and application procedures and identify the need of ODF so it don’t become a luxury.

2.6 Program Fund report

A Program Fund report and an Audit status report were presented. There are still shortcomings in reporting. South Central Diocese managed to present audit reports for the period 2011 – 2014 the day before the LMC Board. We are now able to pay the 1st Instalment 2015 to SCD. We have paid out the 1st instalment 2016 to 13 dioceses, but still 11 dioceses have not reported the 2nd instalment 2015 or we are waiting for the audit report 2014.

2.6.1 Diocese in Mara Region – Request of 4.500.000 to pay Audit Fees

Diocese in Mara Region is the first dioceses to have come up with an audit report for 2015. The Acting General Secretary Ms A Kweka and Acting Treasurer, Ms M Sange have managed to turn a negative situation into something positive and transformed the diocese into this new position, but still the diocese has a strained financial position and a long way to go.

The LMC Board resolved:

- To pay TZS 4.500.000 to the ELCT Audit Division if the Diocese in Mara Region:
 - Do commit to pay for the audit service in the future and not be dependent on the LMC funds.
 - Take steps for a future sustainability, a way forward how to solve the administration and financial situation on a long time base. To be reported to LMC Secretariat.

2.7 Project report

A report on pending projects was presented.

- Diocese in Mara Region “Bishop’s House”. LMC will disburse a balance of TZS 20 million upon receiving a report of the remaining balance of TZS 5 million of earlier released fund of TZS 20 million.
- North Eastern Diocese “Land ownership”: LMC holds the balance of TZS 10 million until report is received that the Government has compensated the people concerned.

3 LMC Finances

3.1 2015 Audited Financial Statement

LMC Secretary presented the 2015 Audit Financial Statement. We are awaiting for the management letter from the auditors that will be distributed to the board members on arrival to the office.

- The LMC Board approved the 2015 Audit Financial Statement.

3.2 Appointing New Auditors

2013 LMC Board appointed PwC to audit LMC, starting with the 2013 years Financial Statement. Financial Statements for three years have been audited by PwC, 2013 – 2015. The LMC Board gave a mandate to the LMC Secretary together with Mr Loata Laiser Mungaya, DSG Finance and Administration, to look into the possibility of doing a new procurement of services along with ELCT.

3.3 2017 LMC budget priorities

The LMC Secretary presented a tentative budget for 2017 and different priorities for the coming financial year. The LMC Board agreed that the LMC Secretariat should prepare a budget taking into consideration the proposed changes to be presented at the next Board meeting.

4 Matters from members

4.1 ELCT matters

4.1.1 From Dioceses and Common Work

Dear members of the LMC Board, many greetings from ELCT. Since the last board, there were no significant events that happened in our dioceses that need to be reported to the LMC board. However, few things you might need to know are as follows:

Resolutions from Executive Council

Theological funds of TZS 1.5 billion

The matter was the funds to be used to train Theologian of lower cadre. The Executive Committee worked on the matter before presenting to The Executive Council through its small committee lead by Bishop Charles Mjema. Among other thing, the committee was to advise the Church on:

- The fees charged by the Church universities and colleges to train one theologian of the said cadre.
- How can the fund be used in a stewardship way for sustainability.

The Executive Council after receiving the thoroughly researched report it deliberated and resolved that, the idea of training the Theologian using 1.5billion is good and has to be adopted. However, the Executive Council was concerned about the sustainability of the program and therefore the following was resolved:

- The advice of the Executive Committee should be adopted that, the funds be transferred to Tanzanian bank, invested in the FDR, which currently stand at 12% to 16% which will give an approximate gain of TShs 125m to 225m a year. The amount from FDR is equivalent to a one year intake. This will assure the sustainability of the funds for some years to come.
- That, the funds should stay in the FDR and only the interest will be used for the purpose. If any need for seed capital arrives, it has to be approved by the Executive Council.

The medical Loan amount to TZS 94 million:

The medical loan funds to finance projects which benefit all units of the Church.

Resolution: That, the idea was received with thanks. The Executive Council blessed the idea. There was no project of this kind presented to Executive Council for approval.

FTP – Further Training Program

A new policy is at hand for Group Training. In the budget 2016 LMC has put aside TZS 216.000.000

Resolution: The Executive Council blessed the Policy and adopted to be used.

ODF – Administration and Capacity Fund

To meet a minimum level of education in diocese key positions, LMC will put aside up to TZS 20.000.000 per year to ODF (the roof of the fund is TZS 20 million). Key positions for benefiting from the fund are:

- Bishop
- Assistant to the Bishop
- General Secretary
- Treasurer
- Planner

A new policy is under work and will be presented later.

Resolution: The Executive Council blessed the idea, waiting for the policy to be developed.

Audits and Core Program

Resolution: The Executive Council received the loss of the 12million by one of the diocese. However, it was insisted that the procedure has to be followed by the dioceses.

The future of LMC

The LMC Board asked ELCT to wait with the letter from CoS to be presented nor discussed by ELCT before it has been taken in a small meeting (Bp Mwakyolile, Bp Mengele, Rev Scheckenbach and Rev Kassahun) and the outcome of their discussion will first be presented to the LMC Board before any actions/discussions are taken in other forums

Resolution: The Executive Council is agreed to wait for LMC to deliberate the matter before present to ELCT for further discussion.

Vehicle funds and administration cost

Resolution: The Executive Council resolved that, the decision passed in the Bukoba Round Table should be adopted and stands.

Tax exemption: It was resolved that, vehicle entitled to tax exemption are those used for the Church activities only. If the Individual unit needs to import a vehicle through LMC to enjoy the bulk discount, they are supposed to pay all necessary Government taxes as required by the law of the land.

4.1.2 From Investments

Retirement Scheme managed to acquire fixed investment during the period worth in total TZS 360 million. This is 7% of the total TZS 5.18 billion held by the fund.

Shares in Maendeleo Bank.

In March 2016 Retirement Scheme purchased 588,235 shares worth of three hundred million (TZS 300,000,000). In this transaction, Retirement scheme posted a capital gain of TZS forty six million nine hundred and forty one thousand one hundred seven six only (TZS 46,941,176.47).

Acquisition of Farm

Retirement Scheme (RS) acquired 430 acres in Lupembe, in Njombe region worth TZS twenty five million eight hundred thousand (TZS 25,800,000) only. Partial payment of TZS 5,800,000 already made, the remaining balance will be paid after the village meeting is held and get all the necessary resolutions that will help RS obtain the title deed. The process is in progress.

The Loan of Tumwabudu Mungu Wetu Hymn Book:

As up to 20th May 2016 the TZS 1.68 million were paid to Retirement Scheme. Out of this, TZS 1.562 billion is the principal amount and TZS 68 million is part of interest incurred. The balance of TZS three hundred and twelve million, (TZS 312 m) is still outstanding. From January to date TZS 164 million was paid, which equal to 68% of the total expected of TZS 240 million.

4.1.3 ELCT Request for TZS 2.9 billion from funds

We have received a letter from Mr B Killewa, Secretary General, regarding a request to transfer TZS 2.9 billion to Tanzania, followed by the ELCT Executive Council at its meeting held on 21st – 22nd April 2016, among other things, deliberated on the use of the Theological Education Fund of TZS 1.5 billion and ELCT Reserve Fund of TZS 1.4 billion.

The ELCT Executive Council resolved that, the Theological Education Fund be used to educate theologians as proposed by LMC Board. However, in order to ensure sustainability of the fund and the proposed program, the fund should be used for the purpose after investing in Tanzania preferably in fixed deposit. Interest gained from the fixed deposit will be designated for the training of theologians. In addition to TZS 1.5 billion, TZS 1.4 billion that are in the ELCT Reserve fund with LMC, also to be transferred to Tanzania and enable ELCT to use such funds as a seed capital to generate more income.

The LMC Board resolved:

- To transfer the Theological Education Fund of TZS 1,500,000,000 to the LMC account in Tanzania to be invested in Fixed Deposit (FDR) under the custody of LMC. The interest of the FDR to be used for training of theologians. LMC will be in full control of the fund and the return of the investment and will therefore administer the scholarship program of theologians as done with BDF students.
- To transfer the ELCT Reserve Fund of TZS 1,409,715,000 to ELCT account for further investments in Tanzania.

5 Coming Meetings

5.1 Board Meetings 2016:

14th – 15th and 19th of October 2016, arrival 13th departure 19th afternoon or 20th – in Mbeya

5.2 Board Meetings 2017:

7th – 8th of March 2017, arrival 6th departure 9th – in Moshi

23rd – 24th of May, arrival 22nd departure 25th – in Arusha

13th – 14th and 18th of October 2017, arrival 12th departure 18th afternoon or 19th – in Iringa

5.3 Round Table 2016

Date: 17th – 18th of October

Venue: *Mbeya, Konde Diocese*

Theme: *Reformation and One World*

Bible verse: *Rev Dr Kenneth Mtata to choose considering the theme “Reformation and One World” and include it in an African context.*

Bible Studies Leader: *Rev Dr Kenneth Mtata, LWF*

Keynote speaker: *Rev Dr Käßmann*

Budget: *ready and accepted*

5.4 Invitation guests to RT 2016

There were no requests for invitations of guests to the LMC Round Table

5.5 Round Table 2017

Date: 16th – 17th of October

Venue: *Iringa Diocese*

Theme: *not ready*

Bible verse: *not ready*

Bible Studies Leader: *not ready*

Keynote speaker: *not ready*

Budget: *not ready*

6 Closing

The LMC chairperson expressed thanks to all board members for their contributions. Board members gave a word of appreciation to the chairperson then he closed the meeting with a word of prayer.

Bishop Dr. Israel-Peter Mwakyolile
LMC Chairperson

Peter Karlsson
LMC Secretary