STAR-Ghana

Options Paper for the Creation of and Transition to the National Entity

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1. INTRODUCTION

This paper provides a broad framework and perspective of the SC on the road map towards the building of, and transition to, the proposed independent national entity to support the sustainable development and effective impact of citizens and their organisations. This document is the outcome of discussions and emerging perspectives of the SC on the subject matter. It relies on insights from the SC's Akosombo retreat on 10th March, 2016, which had discussed the Draft Option Paper presented by Barry Smith. It also takes into account the discussion within the SC at the close of STAR-Ghana, Phase I as well as key perspectives that emerged from consultations held with a broad spectrum of stakeholders in the lead up to Phase 2 of STAR-Ghana. Finally, the current version of this document draws on observations of the SC meeting of 26th August, 2016, the further discussions by the Working Group of Two set up by the SC, and other comment.   It is expected that this document, upon approval, will guide our discussions and consultations with all major stakeholders, especially, civil society organisations, the Funders Committee, Parliament, the private sector, the media and other relevant state institutions.

It is the refining of our perspectives and ideas on the independent national entity arising from these consultations and the success of the STAR-Ghana Phase II programme that will establish the necessary conditions for the building and transition to the national independent entity. In working towards this, STAR-Ghana ought to be conscious of a number of key ingredients necessary for the success of the project. These include developing clarity of vision and purpose, identifying a well-defined niche, which demonstrates the unique value that the proposed arrangements offers its constituent stakeholders - a statement of case for STAR-Ghana that is concise and provides a compelling case for the independent national entity; a strong track record of effective programme management, financial integrity, fund management and a robust democratic and politically savvy leadership structure. There is also the question of the enabling national climate and context for civil society sustainability, both politically and financially.

The document is work in progress, with timelines that seek to guide effective delivery of the objective within the proposed timelines. It is the case, however that the time-lines are not cast in stone and that developments that we cannot completely anticipate may cause some re-adjustments to the time lines set out below. It will serve its purpose if it succeeds in

generating a serious debate, with inputs from all stakeholders for introducing, building consensus on and operationalizing the envisioned independent national entity that STAR-Ghana seeks to transition into. The discussions should help identify broad pathways for work on the independent national entity over the next two (2) years. It is proposed that the SC should meet with the Funders' Committee, the Service Provider and the PMT to kick-start the process of broad consultations. Other landmarks of the road-map are set out in the timelines below.

The paper broadly covers the following issues:
- The historical journey to date;
- The technical issue of the form, governance structure and funding principles of the national entity;
- The political issue of processes for generating a design in ways that would stimulate interest, wide ownership and identification and consensus with, a view to ensuring its credibility and acceptability to key stakeholders, such as traditional CSOs, parliament, trade unions, professional associations the private sector and other stakeholder buy-in - the dominant challenge of the entire process;
- Some assumptions and conditions;
- Timelines; and
- Risks

Discussion at the SC meeting of 18th January 2016 considered the possibility of registering the STAR-Ghana name as a company limited by guarantee, although no final decision was taken on this matter. The Akosombo Retreat, in particular, identified key issues as "Take Aways" and also set out action points to be implemented by specific assignees. It discussed in critical detail the key issues and challenges raised by the draft options paper. The proposals from the Consortium, particularly SD Direct, must, however, be considered in the context of national realities. It must fit into such gaps that there are in promoting active citizenship.

The establishment and acceptability of such an entity must take into account such key national trends as may have a bearing on the issue, such as (a) the Constitutional Review Process, (b) the Long-Term National Development Planning Process and the issues emerging, and (c) the Election of a new President, formation of a new government and the constitution of a new Parliament.

2. THE HISTORY TO DATE

Over the past decades, there has been a bourgeoning of civil society organisations on the Ghanaian political landscape, especially, following the establishment of the Fourth Republican constitutional system of governance in 1992, which guaranteed freedom of association as a fundamental right. These organisations have largely been donor-funded and thereby donor-driven, even as they continue to make important contribution to enabling voice and demanding accountability and responsiveness from state actors. The G-RAP experience witnessed over the life of the programme a gradual shift from the SC being an Advisory Committee to a virtual programme Board. This was possible because the Funder's Committee over the period was ready, through dialogue, to see the need to shift the governance pendulum in the direction of greater autonomy for the Board, constituted in the main by Ghanaians, either representatives of civil society, prominent Ghanaian individuals witha record of commitment to the cause of civil society and greater democratisation, and representation from two critical committees of Parliament, namely, the Public Accounts Committee and the Finance Committee of Parliament.

At the end of the G-RAP programme, there was the danger of the important though modest gains made withering away because of the critical question of funding and sustainability of

civil society organisations within the Ghanaian context. When the STAR-Ghana Phase I programme was initiated, it unfortunately failed to learn from and build upon the experience of G-RAP. Thus, STAR-Ghana Phase I was introduced without any serious engagement with the main stakeholders as to its design and purpose. The Steering Committee of STAR-Ghana was cast in the mode of the advisory committee function of the initial phase of G-RAP. Through active engagement at the Steering Committee level, the results achieved by the programme and a willingness on the part of the Funders' Committee to cede the leading function to the SC, the latter, by the end of Phase I, had assumed through practice a strategic leadership role. From a review of the experiences of STAR-Ghana and earlier donor-funded programmes, the SC initiated a wide-ranging discussion of the future of STAR-Ghana after Phase I. The review demonstrated that, although there had been considerable voice and demand for accountability, the reality had been that the impact on, and responsiveness of, duty bearers were limited, with a growing trend of impunity among duty bearers.

The major thrust of the discussions within the Steering Committee was how to design a programme that would generate effective impact and contribute to systemic change in the development process, with a GESI ethos in favour of inclusive and pro-poor development imperatives. These discussions led to a fundamental shift in positioning STAR-Ghana, not solely or mainly as a grant-making mechanism but as a centre of active citizenship and learning, a *convener*, promoting collective action and collaboration among civil society organisations, a *catalyser* of interventions on strategic issues to contribute to systemic change in an inclusive manner. These new perspective have led to a strategic shift in the focus and mission of STAR-Ghana in Phase II. The programme is no longer to be seen simply as a grant making mechanism. Rather its mission is now spelt out in the cryptic **3 C's + 2Ls,** that is:

- **Convenor:** STAR will convene dialogue, relationships, alliances and partnerships, both <u>within</u> civil society and <u>between</u> civil society, government, business and other key development stakeholders.
- **Catalyst:** STAR will be an engaged, pro-active player in the Ghanaian context, catalysing active citizenship, collective action and interventions on strategic issues.
- **Coordinator:** STAR will provide coordination and facilitation support to facilitate collective action among its partners and stakeholders.
- **Learning and leading:** STAR-Ghana will be a partnership of knowledge, practice and learning and, in situations where there is a leadership vacuum, providing initial leadership functions to kick-start civil society action.

What must be emphasized is that within this new broad goal of STAR-Phase 2, grant making becomes one of the means of advancing the goals of 3 C's and 2 L's.

An equally strategic objective of STAR–Phase 2 is to address the persistent challenge of sustainability of civil society activism - financial, organisational and political. To this end, a vital goal of STAR is to work towards transiting into a sustainable nationally owned entity that will serve as the centre of for the 3 C's + 2 L's.

3. FORM, GOVERNANCE STRUCTURE AND FUNDING PRINCPLES

The SC has to develop a clear working vision of the independent entity and elaborate the notion of a Ghanaian-owned strategic and fundable organization such as would stimulate active citizenship in an inclusive manner for system change. Various discussion at the SC level and consultations with stakeholders during the design phase of STAR-Ghana Phase II have identified the 3 Cs and 2Ls features as

- Promotion of the proposed independent entity as an honest broker of sustainable dialogue/multi-stakeholder collaboration and joint action among civil society organisations and between them and state actors;
- A strategic grant maker/grant facilitator;

- An endowment mechanism for long-term sustainability and of enough stature and credibility to attract the required resources; and
- A centre of active citizenship and community of practice and learning

These characteristics require an organizational design that can perform the functions of convening, catalysing, promoting/stimulating active citizenship; facilitating communities of practice and learning; sustaining democratic gains; and capacity-building for civil society. The Independent National Entity (INE) is expected to provide leadership in the sense of triggering active citizenship and building on the gains of activism. Other offerings have included being a clearing-house and consolidation of Ghanaian good practice and learning in relation to governance over the years, and a commentator and a voice on emerging trends. In relation to the last, STAR should constitute an alternative platform, providing opportunities for the voices of the excluded, safe spaces for them to contribute to national dialogue and challenge the dominant paradigms.

Major selling points for such an entity would include the need to embed learning and build a national pathway to the Ghanaian society we want. It must also fit into the key, common national aspirations. Other possible selling points could be the STAR brand itself. No matter how you look at it, there is the need for an organization that can attract meaningful resources to continue to support rapid, high-impact civil society interventions given the drying-up of donor flows.

Legally, proposals have been made for a private company limited by guarantee, as a non-governmental organization (NGO). Some options include establishing the INE as
   a) A Foundation or a National Endowment Fund
   b) An alliance or a merger of existing NGOs/CSOs in Ghana
   c) A national centre for active citizenship.

It is proposed that an updated legal, legislative and policy 'enabling environment for CSOs and active citizenry' should be undertaken before a final decision is taken on the optimum legal model for STAR-Ghana II.

a. Legal Personality of the Independent National Entity (INE)

It should be noted that the option of a company limited by guarantee or any other legally viable option, such as a trust, will have to deal with the question of membership, especially in the case of a company limited by guarantee form, for which the law permits only a limited number of members and associates..

It needs emphasis that the legal entity is a necessity in the context where we are transitioning from a donor created and led structure to an independent and sustainable national entity. In other words, no one would be ready to invest such serious funds as are envisaged for the operation of the INE if it lacks a legal personality and a robust and credible governance and financial management system. From this perspective, the legal form is a key part of the transition to an independent national entity.

Another major consideration is how to ensure a structure of membership that is inclusive, representative and periodically refreshed. At the same time, it is necessary to resist the temptation to aim for an-all-inclusive membership, as was attempted in the failed experiences of the Ghana Association for Private and Voluntary Organisations in Development (GAPVOD) and GANOD.

Above all, how is STAR-Ghana to position itself as to be accepted by the key stakeholders? How are members of the Board of STAR-Ghana to be appointed? How can this be done to ensure a culture of representativeness and democratic renewal, without sacrificing effective leadership? These are some of the delicate issues that need to be thought through carefully by the SC, in frank consultations with key stakeholders.

b. Governance structure

The role of the governing board/entity must be properly characterised, along a continuum ranging from a purely advisory council to an executive body, if the INE is to perform the activist role envisaged above. The governing board must be agile and flexible, robust and strategic, self-reviewing and learning-oriented, and transparent and accountable in its operations. It must be capable of providing a "bridging leadership" to deliver on the convening, catalysing, coordinating and capacitating mission.

Decisions have to be taken on the legal character; governance structure and modes of representation and appointment of members of the board/council that will best fit the goal and purpose of the envisioned INE.

Clear criteria have to be established, in consultation with relevant stakeholders, of the character of the governance structure and the criteria and principles and values that are required for qualification for appointment/election to the board. A key question is how to design a mode of appointment of membership to the board that will ensure that board members are driven in their decision making by the overall interest and goals of STAR-Ghana rather than parochial interest groups – development of ToR and selection criteria and processes for an independent STAR-Ghana Board.

The question of renewal may be addressed by having a
framework to ensure that terms of members do not all end at the same time. This could be achieved by adopting the examples of other regional and international organisations which provide for a staggered process by which specific number or percentage of members end their term after a specified term, and are replaced by newly-appointed members.

Equally important is the development of the appropriate governance and accountability processes, as well as sound financial management framework and systems for the INE.

c. Funding and fundraising Strategy and principles

A strategy for long-term financing as well as ethical principles and guidelines for funding and resource mobilisation has to be developed to guarantee the integrity of the core principles and values of STAR-Ghana, and prevent capture by 'generous funders'.

Equally important is the establishment of a robust financial management framework and systems to assure the financial integrity of its systems.

Some of the major potential source of funding includes the following:

a) Domestic sources of funding;
b) The donor community, including those that are not currently contributing to STAR-Ghana;
c) Private philanthropic entities – these are increasingly becoming a major source of international development assistance and should be carefully studied to identify those that can support STAR, its vision, goal and objectives.

STAR will require a clear strategy of how to approach each of these potential sources of funding, taking into account their peculiar concerns and idiosyncrasies.
A financing scenario which does not rely on bi-lateral, multi-lateral funding is absolutely necessary. Stakeholders must be presented with the various scenarios to elicit from them, the most feasible choices and validation of the ideas garnered so far.

In all such fund-raising strategies and engagement with donor partners, STAR should strive to engage at the highest political and/or decision making levels at the head offices, so that the process of relationship building goes beyond the goodwill of in-country individual staff. This is to avoid the loss of goodwill cultivated over the years on the departure of such individuals.

Followingthe perspectives of the Akosombo retreat, the SC must commission a study of donor funding trends generally and in Ghana in particular, to provide a clear picture of emerging developments and tendencies.

d. Communication Strategy

A key aspect of the process of transition towards the national independent entity will be effective communication to all stakeholders of the unique value which STAR-Ghana offers. This requires a well thought out communication strategy that is continually refined, on the basis of the experience of engagement. A clear communication strategy should include a strategy for branding STAR-Ghana and selling its goals to all potential stakeholders; the notion of how the independent entity is positioned to lead without becoming or being perceived as a "gatekeeper".

4. PROCESS

SC must develop a position paper, a clear, articulate, concise and compelling statement of case on the need for the national independent entity. This will be refined through consultations with various stakeholders.

A clear justification for the entity has to be made. Why existing institutions, public (such as the National Commission on Civic Education) or non-state (including umbrella organizations such as GAPVOD, think-tanks, research institutions etc), cannot fulfil the envisaged roles must be demonstrated. At the same time, the position paper must identify the niche that the Independent National Entity (INE) will occupy, that has value for all of the key parties identified. It is important that the position paper emphasizes that INE is not seeking to become just another umbrella or resource-disbursement organization.

What the various organisations and institutions (entities) stand to gain from the existence of such an organization must be made clear, also to development partners. The value-addition of the independent national entity to the national governance landscape must be convincingly presented. The questions that can be raised in opposition to such a proposal must be anticipated and answered.

The process must foster a co-creative approach to establishing the new national institution with support, engagement and ownership from key stakeholders, especially from the civil society sector. The SC needs to develop a working consultations strategy for key stakeholders.

As indicated above, this requires a clear case statement for this entity that stakeholders will buy into. A multi-pronged strategy of engagement for the different categories of stakeholders, based on the nature of their interest, is required. This will involve

- A differentiated engagement with different groups in different ways:
  - o Disaggregation and categorization of stakeholders to ensure adequate representation and reflection of the different types of civil society organizations at different levels of governance, geographical locations, sectoral focus, types of membership, etc., as well as the mapping of which sectors of civil society have not been engaged and the development of strategies to engage with such sectors;

- o Development partners - how does STAR-Ghana make itself more attractive to donors without sacrificing its key principles and values?
  - o Private sector – firms, but also their associations and other potential financial partners – local/national and external;
  - o Parliament and the independent governance institutions; and
  - o Public institutions, including key Ministries, Departments and Agencies and the general citizenry)
- In all these cases, to sustain the dialogue and optimize the consultation, the critical question that will shape the mode of engagement will be how how such an entity would add value to what is available; and what others would want out of a relationship with an INE.
- A second round of engagements is envisaged after the analysis of emerging ideas to validate the design and proposals for the form and structuring of the INE.

Grant making should no longer be seen as an end in itself but as a means to an end – 3 Cs and 2Ls, together with the INE. Thus, STAR ought to position itself to explore and take advantage of entry points for developing relationships with various groups and organisations, including the use of the grant making process.

Equally important for selling STAR and getting the buy-in of stakeholders is the convening of the quarterly learning and collaboration meetings of grantees with other stakeholders.

5.   ASSUMPTIONS/CONDITIONS

- The main goal of STAR II as a programme is to promote a culture of active citizenry that is assertive in ensuring accountability and responsiveness of duty bearers to the citizenry, while driving for inclusive development and transparency in governance. The National Entity must therefore be seen as one of the means to this goal.
- To achieve buy-in, the STAR Platform must demonstrate credibility and relevance to stakeholders, especially civil society and its organisations;
- The success of the programme depends on strategies for programme delivery; modes of governance and operation; and the provision of accountability mechanisms
- The transition needs to be understood as part of the process of effective and sustainable delivery of programme outcomes rather than as an isolated goal
- The current programme must emphasize outcomes rather than the activities
- The need for flexibility to be structured into the process and design to ensure that the entity remains relevant in the evolving dynamics of civil society in Ghana and political economic trends. The SC must establish a sub-committee to oversee the process, drawing fully upon the Service Providers as well
- The SC must closely collaborate with the Funders' Committee guiding the process of transition to an independent entity.
- That the considerable information mobilized through consultations and institutional engagements undertaken as preparatory work in STAR 1 will be utilised as inputs for elaborating the Business Case/Discussion Paper/Concept Paper to facilitate the consultation;
- The goodwill generated in STAR 1 and learning events of STAR 2 will provide a basis for further engagement

The learning generated from the PEA and learning events will be taken into account in the development of proposals and strategy for engagement on the National Entity