

POLITICAL ECONOMY ANALYSIS (PEA) OF CIVIL SOCIETY IN GHANA

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ABBREVIATIONS AND ACRONYMS

AAA	Accra Agenda for Action
ADRA	Adventist Development and Relief Agency
AFRC	Armed Forces Revolutionary Council
AGI	Association of Ghana Industries
APR	Annual Progress Reports
ARPB	Association of Recognized Professional Bodies
AU	African Union
AWAM	Association of West African Merchants
BUSAC	Business Sector Advocacy Challenge-Fund
CARE	Cooperative for Assistance and Relief Everywhere
CBOs	Community-Based Organisations
CPP	Convention People's Party
CRS	Catholic Relief Services
CS	Civil Society
CSOs	Civil Society Organisations
CSOSI	Civil Society Sustainability Index
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
DFID	Department for International Development-UK
EPA	Economic Partnership Agreement
FGD	Focus Group Discussion
GACC	Ghana Anti-Corruption Coalition
GAPVOD	Ghana Association of Private Voluntary Organizations in Development
GBA	Ghana Bar Association
GESI	Gender Equality and Social Inclusion Strategy
GPRS	Ghana Poverty Reduction Strategy
GRAP	Generally Recognised Accounting Practice
G-RAP	Ghana Research and Advocacy Project
GSGDA	Ghana Shared Growth and Development Agenda
GSGDA	Ghana Shared Growth and Development Agenda
GTF	Governance Transparency Fund
HIV/AIDS	Human Immuno-deficiency Virus/Acquired Immune Deficiency Syndrome
IEA	Institute of Economic Affairs
INGOs	International Non-Governmental Organisations
KASA	Akan Word for "Speak"
MAs	Membership Associations
MDGs	Millennium Development Goals
MFJ	Movement for Freedom and Justice
MTN	Mobile Telecommunication Network
NCA	National Communication Authority
NDC	National Democratic Congress
NETRIGHT	Network for Women's Rights in Ghana
NGOs	Non-Governmental Organisations
NLC	National Liberation Council
NRC	National Redemption Council
NUGS	National Union of Ghana Students
ODA	Official Development Assistance
PAMSCAD	Programme of Action to Mitigate the Social Costs of Adjustment
PEA	Political Economy Analysis

PNDC	Provisional National Defence Council
PP	Progress Party
PSO	Private Sector Organisation
RAVI	Rights and Voice Initiative
RBM	Results-Based Management
SADA	Savannah Accelerated Development Authority
SAPRI	Structural Adjustment Participatory Review Initiative
SMC	Supreme Military Council
STAR-Ghana	Strengthening Transparency, Accountability and Responsiveness in Ghana
TUC	Trade Union Congress
UGFCC	United Ghana Farmer's Co-operative Council
UGCC	United Gold Coast Convention
UNECA	United Nations Economic Commission for Africa
UNIGOV	Union Government
USAID	United States Agency for International Development (USAID)
VAT	Value Added Tax
WACSI	West Africa Civil Society Institute

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EXECUTIVE SUMMARY

This Political Economy Analysis of Civil Society (PEA) was commissioned to promote understanding of CSOs and the civil society sector, identify and address the key challenges and problems facing Civil Society and offer recommendations which enable democratic consolidation which promote a vibrant and responsive civil society. Commissioned by STAR-Ghana, a multi-donor, pooled funding mechanism, the PEA is to inform the revision of its programme strategy and provide recommendations for post-STAR Ghana support to CSOs and the sector as a whole.

The report is structured in eight sections. Section 1 of the report is an introduction, which provides a background to the study and describes its structure and contents. Section 2 of the report discusses the research questions, conceptual framework and methods. The conceptual framework threw light on the concepts of civil society, civil society organisations, political economy analysis, organisational and financial sustainability of CSOs and CSO effectiveness. A historical-institutional approach was employed, exploring how CSOs in Ghana collectively have emerged and are embedded in concrete temporal processes. The study used a combination of methods, both qualitative and quantitative. The first was a desk review of studies of CSOs in Ghana and other countries on the key research questions. This was followed by a three stage primary data collection effort. - a survey, focus group discussions, and in-depth interviews of staff of STAR-Ghana, some key funders, private businesses, and a few state enterprises. A questionnaire was administered to sixty (fifty-eight completed) rural and urban CSOs in five Regions (Northern, Greater Accra, Western, Brong Ahafo and Volta Regions) to assess their organizational and financial sustainability. These regions were selected on the basis of their high concentrations of rural and urban CSOs.

Section 3 presents a discussion of Ghana's political economy, the evolution and development of Ghanaian CSOs, their relations with the state, and finally, their current trends. Here, the development of CSOs, the rise and fall of particular kinds of CSOs was intimately linked with developments in Ghana's political economy during the colonial period, the early post-independence period, the seventies and eighties and the current period dating from multi-party rule in 1992. Currently, NGOs and their coalitions and networks are the most common and most influential players within civil society. The CSO landscape in Ghana is also consistent of indigenous/informal organisations, an increasing number of faith-based organisations, and international NGOs (INGOs). The section observed a marked shift in CSO-state relations to an increased interest in CSOs as participants in 'development'. Currently, there are certain developments in the CS sector. First, there are more and more NGOs on the CSO landscape than ever before. They form a very significant part of civil society, and therefore of forces driving democratisation. A second trend is the decline of formal CBOs. Third, the professional and membership associations continue to thrive and do well financially and organisationally. Fourth, there is an increase in faith-based organisations which have quite a following. A fifth and interesting trend which has potential positives for the CS sector is the rise in the number of private sector organisations and in their visibility with regard to economic policy input and advice. A final development has been the media, particularly the private media, and the role they play in seeking to hold governments accountable.

Section 4 of the study dealt with organisational sustainability issues, including the legal regime and context within which CSOs work, the legal character of CSOs, their internal

workings, and their views on sustainability and effectiveness. The study found that the capacity and sustainability of CSOs is potentially hampered by their poor staff strength, especially full time permanent staff dedicated to enhancing the work of CSOs. The current paucity of full-time staff also speaks to funding issues faced by CSOs, especially the dwindling of core funding for operational/institutional support. Concerning the effectiveness of individual organisations in achieving their goals and objectives the study found that the different categories of CSOs tended to rate their effectiveness differently had different mechanisms in place for their evaluation. Regarding whether they experience any challenges remaining effective this tended to vary by type of CSO in which the CBOs and membership associations tended to assert totally as having challenges followed by NGOs, network/coalitions and professional associations in order of significance in addition to citing different challenges and how they address them. In terms of evaluation mechanisms, majority of CSOs said they had such systems in place, with such mechanisms often entailing baseline surveys, middle and post-implementation monitoring and evaluations undertaken internally by CSOs themselves or by external consultants contracted by donors.

The study found that the greater majority of CSOs had relations mainly with the district assemblies, followed by sector ministries and constitutional bodies; the private sector, parliament and political parties in order of importance. The nature of the relationship was also found to be dependent on the type of CSO. On matters concerning cooperation among CSOs in the sector the findings reveal that the greater majority of them were in some kind of collaboration with other CSOs and two dominant modes of interaction were found across organisations in the sector: as members of networks or coalitions and as partners collaborating to implement joint activities.

Section 5 discusses the financial sustainability of Ghanaian CSOs and their sector as an important element of organisational sustainability using five criteria- a) diversity and security of funding sources, b) quantum of funding received annually, c) composition of funding portfolio in terms of proportion of grants which are multi-year and represent core funding; d) structure of expenditures and e) perceptions of the organisation's financial health. The study found that in spite of a steady increase in the overall funding to the study CSOs between 2007 and 2012, the majority of CSOs had very small budgets. Over 50% of CSOs in the study had annual grants of up to one hundred thousand US dollars (\$100,000), while close to 25% of this group had between nothing and ten thousand dollars (0-\$10,000). Only a minority had between \$100,001 and \$500,000, specifically, 30% in 2010, 16.7% in 2011 and 23.3% in 2012. Few CSOs had between \$500,001 and \$1 million, and fewer still over \$1 million annually.

With regard to the composition of the grant portfolio in terms of multi-year, core funding, project support and funds for one-off activities, the study found that the highest mean percentage of funding was for project grants and also for multi-year grants. The higher salience of project support reflects the current donor enthusiasm for project-based funding rather than on sustaining the organisations themselves. Regarding the perceptions of CSOs about their financial situation in the last five years, 47.2% of CSOs in the study considered that their financial situation had improved over the last five years, 32% thought their situation had deteriorated while 20.8% thought their situation had remained the same. With regard to how CSOs viewed their financial sustainability, only 6.9% of the CSOs rated their organizations as 'permanently sustainable' whilst 24.1% and 24.1% viewed their organizations as having 'prospects for long term' and 'medium term' sustainability

respectively. A few rated themselves as having ‘prospects for short term sustainability (13.8%) and ‘living from hand to mouth (12.1%). A significant percentage of CSOs (17.2%) indicated that they were presently not funded. Using the study’s five criteria of financial sustainability- diversity and security of funding, quantum, composition of the funding portfolio, the structure of expenditures and the perceptions of financial health, it becomes clear that few of the CSOs in this study could be said to be financially sustainable, and this has implications not just for them, but for the sector as a whole.

Section 6 of the report examined CSO strategies for achieving financial and organisational sustainability and explored the attitudes and positions of both traditional and potential funders of Civil Society - government, the private sector and traditional donors to the sustainability of the sector and its organisations. In terms of the prospects of alternative funding beyond income generation, about a third of those interviewed thought the government, the private sector, philanthropists, and membership dues were high potential alternatives in the long term. Interestingly, more respondents felt committed individuals were high potential. Most organisations would take money from government, the private sector, philanthropists, membership and committed individuals. The highest number of “no” responses for an entity was the 12.5% who would not take government funding and 10% who would not take private sector money. On the other hand, the study found that much work would be needed to convince the private sector to consider funding CSOs, either through pooled funding arrangement or directly. This was mainly because of the very concrete character of private sector philanthropy which was at odds with the advocacy turn in CSO work, as well as the desire of private sector organisations to avoid partisan politics.

Section 7 focused on a critical analysis of STAR-Ghana’s approaches and challenges, drawing lessons for the future of pooled funding arrangements. The study found that many CSOs thought STAR- Ghana was a positive development in the funding climate of CSOs. However, only the minority who had benefited from its funding were completely clear about STAR-Ghana’s operations and considered it a good intermediary between donors and civil society. However, there were various questions raised about STAR Ghana’s policies and modes of operation, particularly its focus on project funding, its staggered thematic calls and the national, regional and gender balance of its funding. These issues were explored in some detail, and while some of the criticisms about regional balance were not borne out by the STAR-Ghana portfolio, the study found that STAR-Ghana’s approach of staggered thematic calls, its gender and social inclusion strategy and its sustainability fund needed some modifications.

On the basis of the findings of the report, several recommendations have been made for supporting and strengthening civil society organisations and their sector as a whole. These include recommendations to CSOs for strengthening their organisational strategies and finances; recommendations to government for national policy and institutional reform and the financing of CSOs, recommendations to the private sector for the reform of corporate social responsibility programmes to involve CBOs and to contribute resources to fund the CS sector. Other recommendations include recommendations to donors for the reform of the aid architecture for CSOs and to STAR-Ghana for its reorganisation and reform.

1.0 INTRODUCTION

A robust and engaged Civil Society (CS) is both a necessary condition for and a reflection of deepening democracy, a strong culture of active citizenship and sustained development. Civil society, particularly its organised sections, has played pivotal roles in Ghana since the colonial period. Using Diamond's framework as reported in Gyimah-Boadi (2004), we can identify eight broad functions of civil society. Depending on the particular conditions within the political economy, these functions have been more or less intensified or receded in importance. As well, different organisations within civil society have been associated with various clusters of functions, although there are some which can be attributed to the generality of civil society. They include the opening up authoritarian systems, which has been an important issue since the 1960s; limiting state power and abuse of authority; the enhancement of the credibility of democratic processes- a pivotal issue since the establishment of the 4th Republic; and educating citizens and building a culture of tolerance and civic engagement. Other functions are the incorporation of marginal groups and enhancing policy responsiveness; providing alternative means for material development; opening and pluralising the flow of information and building constituencies for economic and political reforms. As a result of all these contributions, civil society and its organisations enjoy space and recognition in Ghana and have received various kinds of support and endorsement from donors, government and the private sector.

This notwithstanding, Civil Society Organisations (CSOs) and civil society are in a state of flux as a result of certain long term conditions as well as recent developments. These can undermine and weaken the entire civil society sector with ramifications for the quality of our democracy. However, properly addressed, these issues could generate momentum which takes Civil Society to another level of organization and achievements. These challenges are numerous. They include ambiguous attitudes to Civil Society and CSOs within the state and the private sector. As has been pointed out, CSOs are welcomed and disparaged in equal measure, have gone through periods of ups and downs, and have been parrying state attempts at regulation and threats to their autonomy and independence. They are often seen as the opposition and their ideas distrusted (Gyimah Boadi, 2007; Ninsin, 1998). Secondly, CSO participation in policy derives more from donor conditionalities than from demands from below (Opoku-Mensah, 2007).

In the last three decades, the organizational profile of civil society has significantly changed. Of importance in this regard are two developments- the dominance of formal CSOs and loss of mass mobilisational politics within the civil society terrain. In spite of their growing numbers, CSOs face many internal challenges. These include financial insecurity, inadequate technical expertise, institutional weaknesses and regular challenges to their political legitimacy (Gyimah-Boadi, 2004). These challenges which have resulted in the stagnation of the sector in terms of its standing and influence, have been attributed to structural factors such as the state authoritarianism, the lack of a strong private sector to serve as a counterpoint to the state; the poor material basis of civil society as a result of long term economic crises; the domination of associational life by traditional and kin based groups and conservative cultures within civil society (Gyimah-Boadi, 1998).

These structural factors have been compounded by the liberal democratic politics of the 4th Republic, combined with far reaching economic liberalization policies, the control of policy making and policy processes by the international financial institutions and donors,

and the retreat of the state as an economic actor. Liberal democracy has afforded civil society formalized but limited participation in policy making anchored by a shift from political to technocratic decision making and a reversal of tripartite system of economic decision-making by government, employers and labour unions. In the current terrain of policy making, there are multiple fora for policy making, and CSOs are spread thin, lack knowledge of the rules of the game, and are stymied by the lack of information and in some cases, low capacity.

The particular global conjuncture Ghana finds itself in provides a defining backdrop to the work of civil society. Ghana's attainment of middle income status is momentous as are developments such as the coming end of the MDGs regime and on-going discussions about a global post 2015 development agenda, the AU's plans for structural transformation of African economies and efforts to consolidate democracy and citizen's participation. These and the overarching effects of the global financial, energy and food crises, have all contributed to a new agenda of action for CSOs, but also threats to their survival. To ensure that Civil Society is able to build on its strengths, address its challenges and discharge its responsibilities in this period and in the future, this Political Economy Analysis of Civil Society (PEA) has been commissioned to promote understanding of CSOs and the civil society sector, identify and address the key challenges and problems facing Civil Society and offer recommendations which enable democratic consolidation which promote a vibrant and responsive civil society

The study will bridge the gap in our knowledge about the actual ways in which the organised sections of civil society govern and manage themselves, how they work to effectively represent their constituents and how these affect their sustainability and that of the entire civil society sector in Ghana. Insights into their capacities and challenges, as well as their relations with government, the private sector, donors, and the public provide the basis for recommendations to CSOs, government, donors, and the private sector for contributing to CSO sustainability and the overall development of Ghana. Commissioned by STAR-Ghana, a multi-donor, pooled funding mechanism established with the aim of increasing the influence of civil society organisations and Parliament in the governance of public goods and in service delivery, the PEA is to inform the revision of its programme strategy and provide recommendations for post-STAR Ghana support to CSOs and the sector as a whole.

The report is structured as follows. This introduction is followed by a presentation of the research questions and the conceptual framework for the study. This is followed by an account of evolution and development of Civil Society and its relations with State, Donors and the Public within the context of Ghana's changing political economy since the colonial period. This forms a backdrop to the discussions of more specific issues of CSO sustainability, which is tackled in two sections- one focusing on the legal and policy character, internal workings, relationships, and views about effectiveness and legitimacy; and the other on financial sustainability. The report then examines alternative sources of financial sustainability, paying attention to their possibilities and challenges. The penultimate section of the report focuses on STAR-Ghana- examining its strategies, effectiveness and its prospects, followed by conclusions and recommendations.

2. RESEARCH QUESTIONS, CONCEPTUAL FRAMEWORK, AND METHODS

2.1. Research Questions

The research questions animating the PEA, derived from the terms of reference, are as follows:

- What are the types or categories of CSOs in the country, their evolution (development) since independence, the broad trends in their further development and the drivers behind the changes?
- What are the strengths and weaknesses of the identified categories of CSOs in relation to their legitimacy as citizens' representatives and fulfilment of their mandates as facilitators of pro-poor national development?
- What are the resource bases of these organisations and how they are responding or should respond to a post-aid environment in Ghana?
- What other possible sources of funding can support CSOs in the post-aid dispensation and what would it require to persuade them to participate in CSO support initiatives.
- What is the current policy and legal framework that governs CS operations and how do these support or constrain CS actions; and
- What is STAR-Ghana's strategy on CS support and sustainability, how effective is this and how could it be taken forward post-STAR-Ghana?

2.2 Conceptual Framework

The study, which examined civil society within Ghana's political economy, employed a historical-institutional approach, exploring how civil society organisations collectively have emerged and are embedded in concrete temporal processes (Thelen 1999). This is an approach that examines through institutions the sequences of social, political, economic changes across time. The approach also explores the ways in which the interactions of political and economic processes in Ghana have been important for the evolution of civil society, its particular characteristics and its politics. The historical approach analysed three distinct phases of the Ghanaian political economy: early post-independence; the 1980s period of economic liberalisation and the period since constitutional rule in 1992. Although the study recognizes that other donors to civil society exist, it concentrated on examining STAR-Ghana and its strategy and effectiveness regarding civil society support and sustainability per the Terms of Reference (TOR) for the study.

The term 'political economy' is understood here to mean the interrelationship between the political and economic affairs of the state (Oxford Policy Management 2012). Thus, the wider political context, institutional arrangements, and the interests and influence of stakeholders are of importance in a political economy analysis of civil society. The state or government of Ghana, international donors and local donors, as well as civil society organisations and their target groups/beneficiaries are all stakeholders in the process. Decisions have been made and resources allocated through an institutional process (beginning after 1992 multi-party elections) that is guided by a neo-liberal economic policy approach and increasing political liberalisation and democratisation which has

opened up the space for citizen/civil society participation in economic and political affairs. The PEA of civil society in Ghana has used a mix of approaches to PEA - both the 'drivers of change' approach (which identifies ways of understanding the political economy of change in developing countries, and analyses structural and institutional factors likely to 'drive' change) and the 'problem-driven' approach (which identifies the 'problem' that needs addressing to bring about positive change and identifies obstacles to 'progressive' change) (Oxford Policy Management 2012: 9, 12) in civil society in Ghana. Our political economy analysis therefore sought to identify the drivers of change as well as the key problems in the civil society sector in Ghana, with a particular focus on the financial and organisational sustainability of the sector and its organisations.

Regarding the concept of civil society and classification of CSOs, the study focused on civil society's organizational dimensions (de Tocqueville (1835). Bratton's (1994) distinction of civil society from the state or political society is adhered to. Civil society is "public"; it is not confined to the domestic or household arena, and entails collective action where individuals join to pursue shared goals (Bratton 1994: 56). This study found F.K. Drah's definition of civil society, though descriptive, to be useful, as denoting "the presence of a cluster of intermediary organizations/associations that operate between the primary units of society (like individuals, nuclear and extended families, clans, ethnic groups, and village units) and the state. These intermediary groupings include labour unions and associations of professionals, farmers, fishermen, women, youth and students; religious and business organizations, cultural and recreational clubs, as well as political parties" (Drah 1993: 73). Our appropriation of Drah's definition of civil society, however, excludes political parties, which in our view, belong to the realm of 'political society', and not civil society. This is because they contest elections in order to become part of the state, and are always in that sense gearing up for the possibility of taking up political power.

The meaning, applicability and categorization of civil society are embedded in a highly contextualized ideological debate of Tocqueville's liberal democracy and Gramsci's post-Marxist school of thought (UNECA, 2011a:4). Hitherto, the Tocquevillian liberal view of civil society has been dominant in the literature and in Western and non-Western societies alike. The Tocquevillian view is based more on cooperation and trust, social capital, to develop political and economic democracy and also protect the individual from the state's overwhelming power. The Gramscian view, on the other hand, assumes a more direct political position and considers civil society as an instrument of resistance and activism that seeks to promote the creation and sustenance of social movements to negotiate or challenge political, social or economic hegemony (UNECA, 2011a).

Both the Gramscian and Toquevillian views however adhere to the conception of civil society as separate or distinct from the state or 'political society', although the Gramscian view sees state and society as a bit more intertwined and "mutually constitutive", allowing more room for political agency (Mohan 2002: 127). An interesting contrary view to such a conception is the argument that the treatment of civil society as a "space of freedom, separate from the state, and constituted by NGOs.....ignores the reciprocal linkages between state and society, the constraining effects of market forces, and the underlying ideological agenda of the major lenders" (Mohan 2002: 125). As a result of this, some political scientists have gone so far as to dismiss civil society as a useful analytical category. For example, Allen (1997) questions the use of civil society as a valid concept for studying Africa because it is too ideologically laden and does not shed light on critical political processes (c.f. Mohan 2002: 134). While, as Mohan (2002: 127, 135) cautions, it

is important to be aware that the various discourses and policies regarding civil society are laden with various ideologies (post-Marxist, neo-liberal, associational and regime schools, for example) and be wary of their uncritical use, civil society in Africa actually/empirically exists, and cannot be wished away.

The study took a more Gramscian view of civil society in order to allow more space to include both those CSOs that may be in conflict with the government (for example, advocacy and rights based CSOs) and those that tend to be more cooperative with government (service delivery CSOs). It also, along the pragmatic lines of Mohan (2002) and Mamdani (1996: 19), examines "actually existing civil society" in Ghana, its political economy and sustainability practices and prospects.

The term *civil society organizations*, following Ninsin (1998: 43), is used to refer to organizations that are formed by certain social groups to pursue a set of goals and objectives that are determined by the general interests of its members. The Ghana Association of Private Voluntary Organizations in Development (GAPVOD) --- lists close to 300 NGOs¹ with a predominance of service-oriented NGOs mostly in rural water supply, basic education, environmental protection, primary healthcare, family reproductive healthcare and HIV/AIDS support programmes; community-based organizations - those that are actively set up by the local communities to help themselves; foundations; farmers' movements; trades unions; religious organizations; professional associations; advocacy groups and think tanks, which focus primarily on gender, child rights, disability rights, trade, democracy promotion, the environment and poverty reduction. Data from the Department of Social Welfare indicates 751 CSOs registered with it, although there are many more CSOs that are not registered with the Social Welfare Department.

In the literature, CSOs are classified in various ways. For example, in terms of:

- financial status- self-supporting; grant dependent; or mixed;
- functional areas of operation- service delivery, mutual help, policy advocacy, research, proselytising;
- legal status- incorporated; non-incorporated (formal/informal);
- organisational form- membership; non-membership;
- scope of operation- local, community based, sub-national, national, regional;
- character- network, coalition, unitary organization;
- religious status- religious, secular;
- areas of work- social, political² and environmental.

These different bases for classifying CSOs are partial, and different CSOs have different combination of these characteristics. However, there are several characteristics that tend to occur together. For example, it has been observed that the majority of CSOs are informal, self-financing, voluntary associations based on a variety of communities such as home

¹The use of the term 'NGOs' here refers to particular types of CSOs, the non-membership bureaucratic organisations, engaged in service delivery, capacity building or advocacy, and is not used interchangeably with the term 'CSOs'. The GAPVOD list also includes other types of CSOs such as community-based organizations, professional associations and religious organizations. Interestingly, most of the more influential CSOs, the advocacy NGOs, are not members of GAPVOD.

² CSOs that are classified in the literature as 'political' regarding their areas of work also include those that have been termed GONGOs (government-sponsored NGOs) and QUANGOs (quasi non-governmental organizations) by scholars such as Gyimah-Boadi and Oquaye (2000).

town, ethnicity, faith and occupations; while donor funded formal sector CSOs are in a minority.

Two of the study's key concepts were CSO sustainability and effectiveness. To operationalize or measure sustainability, the US Agency for International Development (USAID)'s 2009 Civil Society Sustainability Index (CSOSI) for Sub-Saharan Africa, which measures and evaluates the civil society sector in sub-Saharan African countries, was adapted to our purposes. The Index uses seven dimensions of sustainability- the legal environment; organizational capacity; financial viability; advocacy; service provision; infrastructure; and public image.

Three of these dimensions of sustainability were used for the PEA-

- i) legal and regulatory environment;
- ii) organisational capacity and
- iii) financial viability, and combined with two other dimensions-
- iv) influence and convening power and
- v) effectiveness of organisational strategies.

Financial viability is defined separately, although it is considered to be an integral aspect of sustainability. For this study, financial viability included:

- i) diversity of sources of funding;
- ii) the percentage of the organisation's funding portfolio which is multiple-year funding;
- iii) the percentage which is core funding;
- iv) the percentage which is from local sources outside the donor system.
- v) the percentage of the organisation's funds which come from service provision, income or membership.

Organisational sustainability/capacity is not the same as the sustainability of the whole sector, although they are connected. These two aspects of sustainability were examined in the study.

Effectiveness is operationalized as the sustained ability to implement program plans successfully and with impacts that can be clearly attributable to the particular organization. However, effectiveness could not be measured within the limits of the study and therefore we instead explored with our respondents how they would define effectiveness and how effective they thought their organisations were.

2.3 Methods

The study used a combination of methods, both qualitative and quantitative. The first was a desk review of studies of CSOs in Ghana and other countries on the key research questions. This was followed by a three stage primary data collection effort. First, a questionnaire was administered to sixty (fifty-eight completed) rural and urban CSOs in five Regions (Northern, Greater Accra, Western, Brong Ahafo and Volta Regions) to assess their organizational and financial sustainability with a focus on their funding levels and sources; the extent of their financial sustainability, as well as areas of potential enhancement of their long-term financial sustainability. These regions were selected on the basis of their high concentrations of rural and urban CSOs.

The CSOs were selected from a list of 751 obtained from the Ministry of Employment and Social Welfare as active in Ghana and from the list of CSOs in the directory produced by WACSI (West Africa Civil Society Institute). As well, knowledgeable civil society activists in the regions of the study were consulted through focus group discussions, supplemented by the researchers' knowledge of the civil society terrain. A few non-registered CSOs (what could be termed illegal CSOs) were included in the sample, 4 CSOs out of 58 to be exact, and majority of the CSOs sampled worked at the regional and national levels (see Appendix One). Majority of the CSOs in the sample are formal organizations, although on the ground in Ghana, there are many more informal CSOs than there are formal ones. 62% of the CSO respondents were male, while 38% were female.

We identified five kinds of civil society organizations for the purposes of sampling:

- Membership organizations based on constituency
- Professional Membership Associations
- Community based/grassroots organizations (rural and urban);
- NGOs- non membership based bureaucracy (large and small);
- Networks and Coalitions.

To select multiple organizations in each of the five categories, five cross-cutting characteristics are taken into account. These include:

- their financial status: whether the organizations are self-supporting, grant dependent, or mixed;
- what their functional areas are: research, advocacy, service delivery or self-help;
- their religious status: whether they are religious or secular;
- their legal status;
- and their areas of work- e.g. economic, social, political and environmental.

Purposive sampling techniques were used to ensure representation from the five kinds of CSOs identified in our conceptual framework (Membership organizations, Professional Associations; Community based/grassroots organizations (rural and urban); NGOs- non membership based bureaucracy (large and small); Networks and Coalitions) taking into account a secondary set of criteria- sources of finance; functional areas of work; religious status; legal status and primary areas of work. See Table 1 and Figure 1 below for a distribution of the CSOs sampled by Types. 45% of the sample was NGOs; almost 25% were networks/coalitions; 15% were membership organizations; while only 10% were community-based or grassroots organizations and 6% were professional associations.³ This was a reflection of the dominance of formal CSOs in the regions we researched. Our efforts to find community based grassroots organisations were challenged by the number of organisations self-described as community based which actually NGOs were working at the community level, which we have re-classified as NGOs, as a more accurate description of their status.

³ In our original classification, we had 4 categories because we had combined the two types of membership organisations as one. In the field, we realized that they were quite distinct and therefore separated them.

Table 1: DISTRIBUTION OF CSOS SAMPLED BY CATEGORY

Non-Governmental Organization	26	44.8
Community-based organization or grassroots organization	6	10.3
Membership Association	9	15.5
Professional Association	4	6.9
Network or Coalition	13	22.4
Total	58	100.0

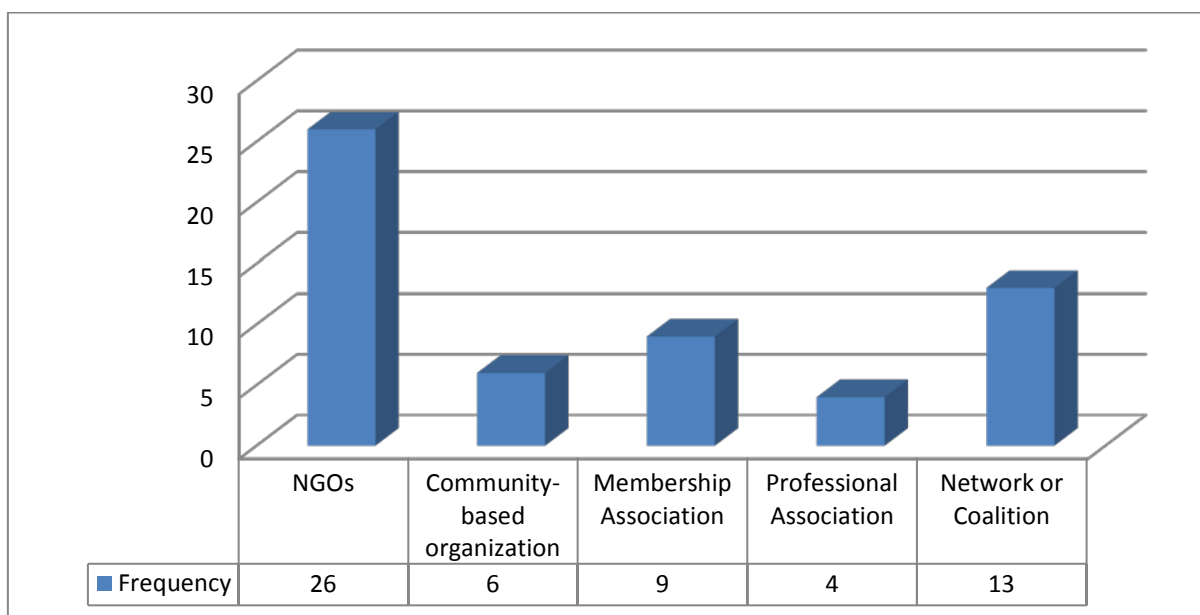
After the survey, we conducted focus group discussions, one each in four of the five regions we studied. We were not able to do this in Accra because of scheduling challenges. The third stage of our study involved in-depth interviews with staff members and a steering committee member of Star Ghana, a selection of the key funders of Star Ghana and other donors. We also interviewed a small selection of private businesses in mining, banking and the telecom industries, as well as one government agency and a few state enterprises to explore with them their ability and willingness to support CSOs (A list of respondents is found in Appendix 1).

In the field, the main challenge we encountered in engaging the respondents was managing to schedule interviews and appointments to administer the questionnaires. This was particularly acute in the Greater Accra and Northern Regions, causing delays in the survey process. However, once we were able to sit with them and administer the questionnaires we had good interviews.

Table 2 below depicts the geographical areas of operation of our five CSO types. Out of 53 respondents to the question of whether they operate nationally, regionally, at the district or community levels, 41.7% of the 24 NGOs operated at the national level, 50% of the NGOs also worked at the regional level; while only 8.3% of the NGO respondents worked at the community level. None of the 6 CBOs surveyed worked at the national or regional levels; as many as 66.7% of them worked at the community level, while 33.3% of the CBOs worked at the district level. Interestingly, 50% of the 8 membership associations worked at the community level, while 25% worked at the regional level, and 12.5% each of the membership associations worked at the national and district levels respectively. 75% of the 4 professional associations worked at the national level and 25% at the community level, but none of them worked at the regional or district levels. Last but not least, the 11 networks/coalitions worked at the national (45.5%), regional (36.4%) and district (18.2%) levels, but none worked at the community level. Overall, what is gleaned here is that there are differences among the different types of CSOs with regard to their geographical area of operation, and this also has to do with the kind of work they do, so that the NGOs and professional associations and networks tended to work more at the national level than at any other level, while a large majority of the CBOs worked at the community level. There is a dearth of NGOs in our sample working at the district and community levels. While the sample cannot be said to be nationally representative, it is an indication of the reach of formal CSOs within the five Regions studied, and points to an issues CSOs need to rectify to widen their reach and influence. Only the membership associations seemed to be quite

evenly spread out geographically, except slightly skewed in favour of the community level.

Figure 1: Distribution of CSOs Sampled by Category



Source: Survey of CSOs, 2013

Table 2: TYPE OF CSO AND GEOGRAPHICAL AREA OF OPERATION

Type of CSO	National	Regional	District	Community	Total	Total N
	%	%	%	%	%	
NGO	41.7	50.0	-	8.3	100.0	24
Community-based Organization	-	-	33.3	66.7	100.0	6
Membership Association	12.5	25.0	12.5	50.0	100.0	8
Professional Association	75.0	-	-	25.0	100.0	4
Network/Coalition	45.5	36.4	18.2	-	100.0	11
Total N	19	18	5	11		53

Source: Survey of CSOs, 2013

Having discussed our research questions, conceptual framework and methods, the next section shifts to a discussion of Ghana's political economy, the evolution and development of Ghanaian CSOs, their relations with the state, and finally, current trends in their development and outlook.

3. GHANA'S POLITICAL ECONOMY AND CSO EVOLUTION AND DEVELOPMENT

3.1 CSO Evolution and Development

Civil Society in Ghana is inhabited by a wide range of organisations of different forms, sizes and functions, thus defying neat classifications. Therefore the classification designed for selecting the study sample, while useful, unearthed organisations that did not fit into any of the categories. We found that organisations which were coalitions and networks were also membership organisations. Also, membership organisations could either be professional associations or associations of like-minded people belonging to one social group e.g. youth, women. In some cases, the self-classification of organisations themselves raised questions. For example, organisations describing themselves as CBOs were in some cases NGOs established to promote the interests of communities within a district. These were quite distinct from organisations established by community members to promote their interests and address community problems. In spite of the complexity, we found that the development of CSOs, the rise and fall of particular kinds of CSOs was intimately linked with developments in Ghana's political economy during the colonial period, the early post-independence period, the seventies and eighties and the current period dating from multi-party rule in 1992. At different periods, the small community based organisations, the mass based workers organisations, the professional associations and NGOs have held sway, and have been involved in a varied range of pursuits- service delivery, advocacy for democratisation or development and capacity building. Currently, NGOs and their coalitions and networks are the most common and most influential players within civil society (Tsikata 2009; Apusigah, Tsikata and Mukhopadyay 2011).

The CSO landscape in Ghana also has a wide array of informal indigenous/local organisations as well as formal organisations, faith-based organisations, and international non-governmental organisations (INGOs). While our study sample focuses on formal organisations, it is important to note that there are many more CSOs in Ghana that are informal. Indeed, the discourse on civil society, with its conception as associational life, has generally overlooked informal organisations, which are less organised groups, in favour of formal ones (Mensah and Antoh 2005: 83). For example, informal indigenous women's organisations are quite prevalent in Ghana and are defined as those organisations "that operate at the local level with few or no offshoots and external connections. Unlike the formal and national women's organisations... (they) are small and operate informally or semi-informally, reflecting a local context in which many women are not literate" (Mensah and Antoh 2005: 83). Most of these informal women's organisations are not officially registered, and only a few operate with written constitutions or codes of conduct (Mensah and Antoh 2005: 83). Mensah and Antoh (2005: 91, 94) have broadly classified indigenous women's groups (and we would argue that this also applies to other indigenous groups) into economic-oriented and non-economic oriented groups. Among the economic-oriented organisations are market women's organisations, trade or artisanal organisations, and credit unions. Among the non-economic oriented organisations are community development, religious, political, and educational organisations. Despite problems faced by indigenous women's organisations in Ghana, such as lack of financial resources, low levels of formal education which curtail their ability to procure loans and mobilise and operate effectively (including lack of basic equipment, office space and transport), they were able to empower women to challenge male domination in their churches, to educate girls and

women within their communities, provide financial assistance and loans for women members (Mensah and Antoh 2005: 96-97).

International NGOs are also part of the CS landscape in Ghana, although we decided not to use them in our sample because they did not have the problems of the local CSOs. They however form important linkages to some sections of civil society in Ghana. INGOs have been described as "voluntary, non-profit associations, based in industrialized countries and dedicated to various forms of international intervention - evangelisation, political organising, solidarity, charity, relief and education, and have reflected the diversity of values and politics of the individuals and groups who formed them" (Kane 2013: 1506). Conceived of as "integral social forces within the power relations of the aid industry", many of them have civil society 'partners' in developing countries with whom they relate (Kane 2013: 1506). Interesting to note is the fact the INGOs adopted RBM techniques and Rights-Based approaches early on, before the local NGOs did.

INGOs play multiple roles in Africa and in Ghana, as employers, donors, service providers, advocates and campaigners, and through these roles are often aligned with various social and political actors in Africa (Kane, 2013: 1508). Kane (2013) argues that their dependence on the aid industry and its development model for funding compromises the INGOs and curtails their ability to champion the political struggles of the poor to assert their aspirations and claim their rights. Instead, they have become effective implementing agencies of donor-driven development strategies (Kane 2013: 1508). Nevertheless, they still provide much-needed assistance in several areas to both rural and urban communities in Ghana. INGOs working in Ghana include Action Aid, Plan Ghana which supports the education of needy children in some districts, CARE International, which focuses on poverty reduction, loans and savings, Freedom from Hunger with activities in food security, Catholic Relief Services (CRS), which focuses on education, health, water and sanitation, agribusiness among others, Futures for Kids, which assists children in the Northern and Upper East regions of Ghana to attend school or skills training programmes for future livelihoods, and the Adventist Development and Relief Agency (ADRA) which is involved in agriculture, health, and relief services.

Historically, there have been changes over time in the CSO landscape in Ghana. The periods of the 1980s, 1990s, and 2000s coincide with relatively unique socio-political environments for CSOs. The 1980s embodied a period of sustained military rule in Ghana under the Rawlings-PNDC government characterized by restriction and co-optation of CSOs; the 1990s embodied a period of political and economic liberalization and transition to civilian-democratic rule; while the 2000s embodied a period of neo-liberal policy ascendancy and a push to deepen democracy in Ghana. Interestingly, prior to the liberalized political and economic environment in Ghana which had positive impacts on CSOs, the early post-independence period (1957-1970s) was characterized by a more state-run economy and relatively closed political environment after 1966. Thus, it is not surprising, for example, that civil society groups and associations, like the women's, farmers' and youth groups were co-opted by the Convention People's Party (CPP) government in the early 1960s, until the 1966 coup which overthrew President Nkrumah and the CPP government. Thus an important driver of the rise and wane of the different kinds of CSOs is democratisation and the attendant changes in governance and policy making processes. Consistent economic growth has opened up the economy and created the need for CSOs in new areas.

A second driver of the rise of CSO development in Ghana has been the structure of the economy and the politics, which are Accra dominated. This has meant that the majority of NGOs, and also the biggest and most influential, operate in Accra, while the three Northern regions also attract a large number of particular types of CSOs because of their longstanding developmental challenges. Ashanti Region has the lowest number of registered NGOs, but probably one of the highest concentrations of indigenous organisation. Increasingly, there are CSO coalitions and networks, some specialising in particular issues e.g. health, governance and peace and conflict; or representing geographical areas.

A national CSO coalition, GAPVOD, has been in existence for a long time, but is not patronised by the most influential CSOs and is not considered the legitimate representative of CSOs. In any case, the coalitions and networks, while increasingly seen as useful, particularly as a response to pressure from donors and government that CSOs are in competition, is a form whose logic is not fully accepted by some member CSOs. Many such coalitions and networks soon shrink to become the host plus a few members and have been difficult to sustain. As they raise resources from the same pot as their members, they are often seen to be in competition with their membership organisations. It is important to note that there are the formal coalitions/networks such as the Network for Women's Rights (NETRGHT) and the Ghana Anti-Corruption Coalition (GACC), which differ from those that come together in response to a specific opportunity or need, such as the Alliance for Change that put together a coalition of groups opposed to the imposition of a 17.5% Value Added Tax (VAT) by the Rawlings-NDC government in 1995. Such coalitions can be likened to social movements or spontaneous civil society actions that can be quite temporary and also many a time informal.

The third driver of CSO development in Ghana has been donor activities and attitude, particularly evidenced by the adoption of the Paris Declaration in 2005, the shift from direct donor funding to mostly pooled funding, the imposition of result-based management techniques, and the push towards rights-based approaches to development. These are discussed in turn.

The adoption of the Paris Declaration (2005) and the Accra Agenda for Action on AID Effectiveness (2008) have been identified as watershed events for CSOs which have brought about significant shifts in donor attitudes to aid. Notably, the 2000s, in international development, have been defined by the aid effectiveness process, in contrast to the decade of the 1990s that was defined by poverty reduction and good governance (Hayman 2012: 1). As Hayman (2012: 2) asserts: "the milestone in the aid effectiveness process was the Paris Declaration on Aid Effectiveness which set out goals and targets to improve the quality of aid between 2005 and 2010. This represented a major step forward, with donor agencies committing themselves to improving aid delivery. Much of the focus at Accra in 2008 and in subsequent years was on evaluating the results of this process and determining whether aid was becoming more effective". Box 1 below depicts some of the key events of the aid effectiveness process.

The target indicators of the Paris Declaration Principles (see Box 2 below) give credence

Box 1: The Aid Effectiveness Process

The 2000s were marked by a series of high level, global conferences. These forums resulted in:

- The Monterrey Consensus of the International Conference on Financing for Development (UN 2002)
- The Rome Declaration on Harmonisation (Rome High-Level Forum 2003)
- Joint Marrakech Memorandum (Second International Round Table Marrakech 2004)
- The Paris Declaration on Aid Effectiveness (Paris High-Level Forum 2005)
- The Accra Agenda for Action (Accra High-Level Forum 2008)

Source: Hayman, R. 2012. *The Busan Partnership: Implications for Civil Society*, Policy Briefing Paper 29. INTRAC (International NGO Training and Research Centre). February: p. 2.

to the claim that the Paris Declaration and the Accra Agenda for Action were a positive development for civil society organizations and governments in the developing world. However, a closer look at the evaluation reports indicates that the results have not been particularly encouraging. The Paris Declaration Principles have contributed to: an uneven change of behaviour; partner countries had moved further and faster than donors, with some donors progressing more than others and some donors making few changes at all; improving aid effectiveness, with much more to be done; and better but uneven development results (Hayman 2012: 2). Such uneven progress may have implications for civil society engagement with and funding from donors and the sustainability of CSOs.

In Ghana specifically, the implementation of the Paris Declaration (PD) Principles has had a mixed effect on CSOs. Regarding the principle of Ownership, there has been some modest improvement in consultations and coordination. Some civil society groups are also able to participate in Consultative Group meetings and sector working groups. Dialogue between donors, government, and civil society has also been promoted as a result of the aid effectiveness platform (Quartermen et al. 2010/2011: 64-65). As Akwetey (2007: 32) highlights, "the opportunities created for civil society to participate in the formulation of medium term development plans such as the GPRS I (2003-2005) and GPRS II (2006-2009),

to participate in the Consultative Group Meetings of 2006 and 2007, and in the review of Annual Progress Reports (APR) of the GPRS II" indicates the emergence of a more conducive environment for engaging civil society and other non-state actors in dialogue on aid policies and in responding to their needs". Prior to the PD, "the domain of aid relations had appeared closed and insulated from civil society in particular and too fragmented and uncoordinated among donors and government agencies" (Akwetey 2007: 33). Akwetey's (2007: 32) study argues that the space for civil society participation has expanded incrementally at the national level, although "civil society participation in policy dialogues has been more ad hoc than systematic and institutionalized, confined to high-level meetings like the CG, and less inclusionary with respect to sector dialogues," and that "there has been encouraging progress in civil society participation in the Education Sector policy dialogue" as well as in the local government and decentralization sector.

In Ghana, this period (of the 2000s) marked a significant shift from direct donor funding to mostly pooled donor funding to CSOs. Examples of the pooled donor mechanisms include RAVI, G-RAP, and STAR-Ghana. This was one positive effect of the Paris Declaration principles: the introduction of a mixture of both pooled funding (GRAP) and direct project funding such as RAVI (DFID,) as well as the Civil Society Support facility under DANIDA's Good Governance Programme (2004-2007) (Akwetey 2007: 34). Some consequences of this shift to mostly pooled funding, which characterizes the current funding regime for CSOs, include "crowding out smaller organizations, and encouraging resource driven forms of mobilizing" (Apusigah, Tsikata and Muukhopadyay 2011: xv). This shift has also had implications for CSO funding and organizational capacities as is discussed further in the sections on CSO financial sustainability and STAR-Ghana.

In addition, interviews dated the proliferation of NGOs and CBOs working on particular issues to the establishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria in 2002. The Global Fund has become the main multilateral funder in global health, and aims to reduce HIV-AIDS infections, provide for treatment of tuberculosis and a drastic reduction in malaria in low-income countries. Some even recall that the Fund encouraged the establishment of organisations to deliver its programmes in communities.

The period also coincided with the imposition of Results-Based Management (RBM) techniques, the active push towards Rights Based Approaches to development, the shift from service delivery to policy advocacy and holding duty bearers to account and the shift from project to budgetary support in aid. Rights Based Approaches to development have simply emphasized an approach to development promoted by many development agencies and non-governmental organizations (NGOs) to achieve a positive transformation of power relations among the various development actors. This approach blurs the distinction between human rights and economic development. There are two stakeholder groups in rights-based development—the rights holders (who do not experience full rights) and the duty bearers (the institutions obligated to fulfil the holders' rights). Rights-based approaches aim to strengthen the capacity of duty bearers (such as governments) and empower the rights holders (Gneiting 2009: 1). Not all, however, are in favour of this rights-based approach. For example, there are those who argue that changing the language to combine human rights with development is merely a change of terminology and brings no change to the programs being implemented. In addition, the ability for a state to implement public policy has been hindered due to the need to comply with economic and social rights (Nelson 2007)).

The shift towards results-based management techniques in particular have changed the way most CSOs work in Ghana. RBM, according to the United Nations Development Group's Results-Based Management Handbook (2011: 2), "is a management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the achievement of desired results (outputs, outcomes and higher level goals or impact). The actors in turn use information and evidence on actual results to inform decision making on the design, resourcing and delivery of programmes and activities as well as for accountability and reporting." RBM systems were initiated by the United Nations in the late 1990s to improve the organization's effectiveness and accountability (Results-Based Management Handbook 2011: iv) and have found their way into the development, donor, and civil society discourse and practice.

All these developments have worked together to change the funding landscape in Ghana and nudge civil society organisations to embrace new agendas and ways of working. Notably, civil society activities have expanded since 2000 from purely service delivery initiatives to active public policy advocacy work as a result of global initiatives such as the Poverty Reduction Strategy Papers, the Millennium Development Goals and the Accra Agenda for Action (AAA) which have encouraged and defined the interface between government, donors and civil society organizations (CSOs). For example, the recognition and space provided by the AAA has given CSOs a renewed impetus and legitimacy as key development actors. CSOs' input in development processes is increasingly valued by donors and government. This is visible, for instance, in the general consultations on national policies and CSO participation in key national policy dialogue meetings and consultations (Jumah 2011).

However, there is often dissatisfaction among CSOs about the quality of their participation and how it is reflected in actual policy outcomes. For example, there was some unhappiness among CSOs regarding their participation in the Ghana Poverty Reduction Strategy I (which was implemented from 2003-2005) and the Growth and Poverty Reduction Strategy II (which was implemented from 2006-2009). Although the process of formulating the GPRS I was participatory, with consensus built through consultations with major stakeholders, including Ministries, Departments and Agencies, CSOs, local government institutions, groups of experts and development partners, there were still some gaps in participation. The NPP government involved civil society in the preparation of the GPRS; GAPVOD, for instance, coordinated wide consultations with civil society, in order to include their input in the document (Swiss Coalition of Development Organizations Report 2003: 3). However, "substantial concerns were raised as to the quality of participation, the information parity, and the credibility of the process. Regarding the quality, it appears that participation did not go much beyond consultations. Moreover, they were focused on Accra-based organizations, while those from rural areas, organizations at the grassroots level, but also women were much less involved. It was suggested that time pressure contributed to that, together with the limited capacity of many CSOs....."(Swiss Coalition of Development Organizations Report 2003: 3).

Box 2: Paris Declaration indicators

Ownership

1. Countries put in place national development strategies with clear strategic priorities.

Alignment

2. Countries develop reliable national fiduciary systems or reform programmes to achieve them.
3. Donors align their aid with national priorities and provide the information needed for it to be included in national budgets.
4. Coordinated programmes aligned with national development strategies provide support for capacity development.
- 5a. As their first option, donors use fiduciary systems that already exist in recipient countries.
- 5b. As their first option, donors use procurement systems that already exist in recipient countries.
6. Country structures are used to implement aid programmes rather than parallel structures created by donors.
7. Aid is released according to agreed schedules.
8. Bilateral aid is not tied to services supplied by the donor.

Harmonisation

9. Aid is provided through harmonised programmes coordinated among donors.
- 10a. Donors conduct their field missions together with recipient countries.
- 10b. Donors conduct their country analytical work together with recipient countries

Managing For Results

11. Countries have transparent, measurable assessment frameworks to measure progress and assess results.

Mutual Accountability

12. Regular reviews assess progress in implementing aid commitments.

3.2 CSO Relations with the State

Civil society in the colonial period was made up of the intelligentsia, professionals, youth and ordinary people (Gyimah-Boadi, 2000: 7). The inter-war periods saw a rapid upsurge in independent and voluntary civil society groupings and activism mainly because of increased cocoa production, the rapid urbanization and industrialization. The mobilization of ordinary citizens to protest against the Association of West African Merchants (AWAM) in 1938 was an early example of colonial civil society activism. The same can also be said about the organizational abilities of farmers who teamed up to hold up cocoa in 1937/38 when the foreign merchants had formed a monopsony whose operations the farmers found very unfriendly.

Political reforms in the 1940s allowed the Intelligentsia to form political groupings, the foremost of which was the United Gold Coast Convention (UGCC). The UGCC however lacked popular legitimacy because it was not truly representative of the demands and aspirations of the people. It therefore initiated an alliance with the 'Young Men' and the cocoa farmers in order to have a national appeal (Gyimah-Boadi et al, 2000). However, it was soon superseded by the Convention Peoples Party (CPP), built explicitly on a broad civil society coalition of youth, workers, farmers and women, representing those most oppressed and impoverished by colonialism.

In the early 1960s the Convention People's Party (CPP) government co-opted the most vibrant and active civil society organizations into the ruling party as wings of the party. Notable among them was the United Ghana Farmer's Co-operative Council (UGFCC) and the Ghana Co-operative Council. Some vocal anti-government organizations (cocoa co-operatives) were dissolved and their assets given to the UGFCC (Drake and Lacy, 1996:72). Similarly, worker Unions that were against co-optation by government were also silenced with the promulgation of the Industrial Relations Act which made it compulsory for all labour unions to come under the Trades Union Congress (TUC). This made it difficult for such unions to embark on industrial action without the approval of the co-opted TUC. Churches and businesses that were not affiliated to the CPP and the government found the climate unfriendly for civic action.

After the Nkrumah-CPP government was removed in a military coup in 1966, its successor the National Liberation Council (NLC) did not do much to promote a free atmosphere for civil society to thrive. When it eventually handed over power to the Progress Party (PP) Administration in 1969, there were expectations that the PP would be liberal with civil society in keeping with its political philosophy. Contrary to this, the PP government was soon entangled in a series of confrontations with civil society groups, notably the TUC and the National Union of Ghana Students (NUGS) (Darkwah et al, 2006). This is perhaps because some of the leaders of these organisations were affiliated to the former CPP government.

The PP government's removal in a military coup in 1972 brought the National Redemption Council (NRC) which later became the Supreme Military Council (SMC) to power. This period perhaps saw civil society activism reaching its peak since independence even though many organisations were also co-opted by government. A number of political civil society groups emerged to challenge the Union Government (UNIGOV) proposal of the SMC. Most notable groups include the People's Movement for Freedom and Justice, Prevention of Dictatorship and the Third Force. These groups stood against the military junta which had effectively mobilized the military, police and other security services as well as some civil society groups to support the UNIGOV agenda.

It should also be added that the leadership of those groups that stood against the military junta included politicians of the previous PP government. When the SMC was eventually removed from power in a Junior Officers uprising on the 4th of June, 1979, the Armed Forces Revolutionary Council (AFRC), a number of civil society groups emerged to support and defend the revolution (Akwetey 1994:82). Most of these organizations continued to support the uprising until Rawlings returned to power in 1981 as the Chairman of the Provisional National Defence Council (PNDC). The declaration of the 31st December revolution and the call on the population to establish workers and peoples defence committees introduced a new element into the civil society space- citizens organised at the grassroots to promote their interests and support the government coordinated centrally by a state structure the Interim National Coordinating Committee (INCC) which later became the National Defence Council (NDC). In this period, the TUC was also taken over by a group of its members and its leadership expelled. The 31st December Women's Movement and the Federation of Ghana Women were also established in this period. Civil society became divided for and against the revolution and the regime, fuelled by the regime's polarising discourse and authoritarian reflexes which alienated traditional civil society groups such as the Professional bodies and the churches. As Hutchful (2002:185) notes, even religious organizations like churches that did not give open support to the government were viewed as "potential threats to the regime struggling to secure power."

Eventually, as the Rawlings Regime settled in office and the threats to its survival receded, its support base in civil society suffered defections and contestations. By the mid-1980s, its traditional opponents also found their voice and began to challenge the regime's monopoly of governance and policy making and demanding the return democracy. This movement was a fusion of several distinct groups and political agendas. In August 1990, an alliance of politicians in the previous three republics emerged, forming the Movement for Freedom and Justice (MFJ). This group received support from some professional groups like the Ghana Bar Association (GBA), and National Union of Ghana Students (NUGS), Catholic Bishops Conference (CBC), and the Trades Union Congress (TUC). However, the Provisional National Defence Council (PNDC) still had significant support in civil society and continued to control the pace of political liberalisation assisted by its almost total control of the mass media. This support base has been identified as critical in the National Democratic Congress' (NDC) victory in 1992 and 1996 (Ayee 1999:321). Ninsin (1998) describes the transition to democracy as a contest between the "pro-democracy civil society" and the "alternative civil society." The former wanted more drastic political reforms and liberalization of political power and change while the latter supported retention of the P/NDC.

Some have argued that the failure of the pro-democracy movement to undermine the PNDC's legitimacy in the first period of the PNDC's reign stemmed mainly from the elite character of the organizations engaged in the movement, such as the Association of Recognized Professional Bodies (ARPB), GBA and the established church councils, vis-à-vis the level of popular and student support for Rawlings. In the second period, the alternative forces challenged the hegemony and monopoly of these pro-democracy groups in various sub-sectors of the economy, administration and politics (see Hansen 1991). The PNDC became the NDC in the run-up to the 1992 elections, and the NDC secured popular support by creating new organizations financed by, and loyal to, the ruling regime. The 1992 elections that brought Rawlings to power as a civilian president marked the beginning of the 4th Republic wherein Ghana is still today.

In the 1980s, as part of a strategy to quell growing opposition, the Rawlings regime encouraged NGOs to fill the service delivery gap created as a result of cuts in government expenditure. However, the real impetus behind creating a greater role for NGOs in 'development' came not from the PNDC but from donors (Hutchful 2002). At a donors' conference in 1987, the Program of Action to Mitigate the Social Costs of Adjustment (PAMSCAD) was approved and attached to Ghana's Structural Adjustment Program (Brydon and Legge 1996). The World Bank, United Nations and bilateral donors contributed over US\$80 million for poverty alleviation programs, but they requested that NGOs assist in service delivery because the "Government of Ghana" did not have the "institutional capacity" to implement such a large program (Gary 1996:157).

This marked a shift in CSO-state relations to an increased interest in CSOs as participants in 'development', with its attendant increase in available international aid. It also resulted in the proliferation of CSOs that eschewed partisan politics and anxious to be seen as political neutral arbiters between government and society. Even those interested in democratisation preferred to speak more neutrally in terms of good governance. In time, these organisations came to dominate the CS sector and shape its culture. In 1987, GAPVOD had only seventeen members, but through PAMSCAD it received over US\$600,000 from 1990-92. Membership in GAPVOD became helpful for local NGOs applying for donor funding, and contributed in no small way to the establishment of a more sedate and accommodating CSO sector. However, even with the heavy donor support, or perhaps because of it, GAPVOD failed to establish itself as the CSO umbrella it aspired to be, and instead, was seen as a tool of control by government and donors (Gary 1996; cf. Darkwah et al 2006).

The 1990s was characterized by a proliferation of CSOs because of the legal and political space created as a result of the transition to democracy in 1993. A significant development during this period was the launch of SAPRI (Structural Adjustment Participatory Review Initiative) at the World Bank's behest in 1997 to improve public relations with working groups made up of NGOs around the globe. At a "National Conference on Civil Society" that brought together representatives of CSOs from all over Ghana, the Civil Society Coordinating Council (CivisoC) was established to represent civil society in the SAPRI exercise alongside the World Bank and the Rawlings-NDC government. CivisoC's membership was "structured along the lines of geographical boundaries, organizational typology and the notion of representation" (Darkwah et al. 2006). CivisoC represented an important development in the history of CSO-state relations in Ghana, first because it involved "an unprecedented cooperation among organizations with almost no history of collaboration". Second, it constituted the "first broad structure for institutionalized policy dialogue" with the Ghanaian government, and finally it "provided a holistic challenge to SAPs as a development strategy, in contrast to past sectoral approaches...." (Darkwah et al. 2006).

By the late 1990s, civil society organizations, with the help of donor funding had been able to sustain a campaign for official transparency in government, and CSOs increasingly had a positive impact on government, initiating bills and advocacy for policy change (Gyimah-Boadi 2010).

Significantly, by the 2000s, a transformation had occurred in Ghanaian politics and civil society-state relations characterized by a period of neo-liberal policy ascendancy and a push to deepen democracy in Ghana. The space for civil society participation in high level national policy-making processes has increased. Government and donors now send hard

copy invitation letters, emails and sometimes even make follow-up phone calls for civil society to attend meetings (Jumah 2011).

Importantly, there is an increasing recognition of CSOs as development partners and as relevant for deepening democracy. The passage of the Presidential Transition Bill in parliament in May 2012 (initiated by the Institute of Economic Affairs (IEA) after the 2008 general elections) gives evidence of the increasing role and impact of CSOs as governance and development partners.

The thriving democracy and range of media have contributed to enhancing dialogue at the national level. CSOs are free to publish their research reports, share their grassroots-based evidence, comment on or criticize government policy and interventions without fear of being victimized. In general, the media and public opinion require CSOs to exhibit a very high sense of credibility, honesty and non-partisanship. This is vital in increasing the acceptance of civil society inputs into government policy (Jumah 2011).

Between 2010 and 2011, Ghanaian CSOs have advocated for and influenced a number of government/state policy decisions. CSO inputs and lobbying influenced the passage of the Petroleum Revenue Management Law by Parliament. CSOs also participated in regional consultations on the Right to Information (RTI) Bill and submitted proposals to the Constitutional Review Commission. Civil society advocacy forced the government to suspend bilateral negotiations with the European Union (EU) on signing the full Economic Partnership Agreement (EPA) and influenced the National Communication Authority (NCA) to extend the registration period for mobile phone SIM card users (CSOSI for Sub-Saharan Africa 2011: 58). Government and CSO relations continue to improve and CSOs are involved in many policy formulation processes. Ministries, departments, and agencies "invite and engage CSOs on diverse policy issues based on their expertise, and CSOs advocate for policy reviews and reforms on specific issues" (CSOSI for Sub-Saharan Africa 2011: 61). CSOs are also recognized by various sector reviews such as Education and Health Sector review meetings, Annual State of the Environment review preceded by a CSO parallel review, for example.

3.3 Current Developments in the Civil Society Sector in Ghana

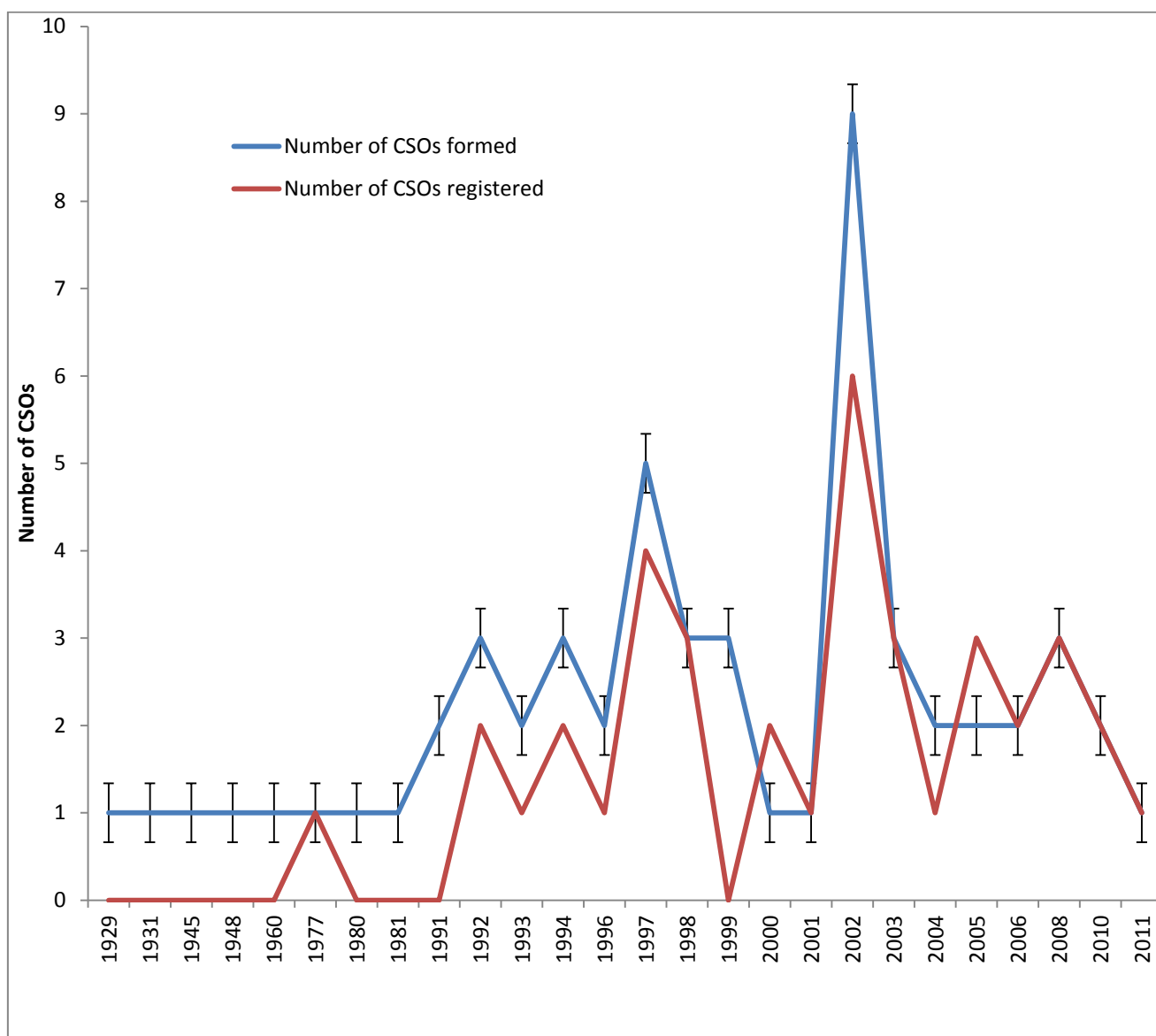
Civil society globally is facing change, as new forms of mobilisation emerge, as many northern NGOs face financial difficulties, and as many people face a closing of social and political space. In Ghana, most CSOs presently are dependent on foreign donors, and due to Ghana's emergence as an oil economy and the global economic crisis, expect that inflows of donor funding will decrease in the coming years. Already, some CSOs are experiencing funding cuts and the defection of some of their longstanding donors, particularly the international NGOs. As a result, there is a heightened sense of competition for scarce funding which has implications for both large and small organisations (FGDs). In spite of the start of oil production in commercial quantities, CSOs have not received any notable funding from oil firms toward their activities (2011 CSOSI for Sub-Saharan Africa, p. 60).

A Compact has been entered into by the Ghana government and its development partners, which has the potential to affect the level of donor funding to CSOs. The Compact's objective is to improve the effective and strategic use of Official Development Assistance (ODA) and other forms of development finance and cooperation, in support of Ghana's medium to long-term development. The parties have agreed to respect the objectives and

guiding principles of the Ghana Shared Growth and Development Agenda (GSGDA) 2010-2013 and Ghana's Aid Policy and Strategy (2011-2015). Under this Compact, the government "expresses its commitment to reducing Ghana's aid dependency in the medium to long-term by gradually assuming full financial responsibility for investing in accelerated development to reduce poverty and inequality, and developing a plan for a phased transformation of ODA and other forms of development finance and cooperation" (Government of Ghana-Development Partners Compact 2012: 4), among others. Donors/development partners recognise Ghana's need for continued development assistance during the transition period, but expect this need to gradually lessen albeit with significantly reduced levels of poverty by 2022 (Government of Ghana-Development Partners Compact 2012: 5). This Compact, therefore will have enormous impacts on Ghana's political economy in the years to come. All sectors of the society must be mindful of the dwindling donor assistance in light of Ghana's move to lower middle income status, the international debt crisis that has affected some of its traditional donors, and the social and development challenges that Ghana continues to face. Thus, CSOs interviewed were not wrong in their assertions of reduced donor funding or the difficulties of accessing donor funds or in their realisation and embrace of the need for alternative sources of funding.

In addition to these, the CS sector in Ghana itself has witnessed interesting developments in the last ten years. First, there are more and more NGOs on the CSO landscape than ever before. They form a very significant part of civil society, and therefore of forces also driving democratisation. NGOs are increasingly viewed as "more efficient than corrupt states in delivering local social services" (Mohan 2002: 128), and some have links with INGOs that aid them in their work locally.

Figure 2: TRENDS IN THE FORMATION & REGISTRATION OF CSOs



Source: Survey of CSOs, 2013

The survey’s findings reflect these developments. Figure 2 above depicts the trends in the formation and registration of the study CSOs between 1929 and 2011. There are two distinct periods of significance where a sharp increase in the formation and registration of the CSOs sampled occurred - in the mid to late 1990s and again in the early 2000s, particularly around 2001-2003. The first spike or sharp increase occurred due to the liberalization of politics and the second democratic elections held successfully in 1996. Freedoms of association, of speech and of the press all worked together to encourage CSO formation and embolden many to get formally registered. There were human costs of structural adjustment and other socio-economic problems that also gave impetus to the formation of CSOs in opposition to economic liberalisation policies. The second spike coincided with the end of the Rawlings era as well as with a rise in funding that could be tapped by CSOs, particularly the Global Fund.

A second development is the decline of formal and informal CBOs. It is more and more difficult to find CSOs that are purely CBO types, at least formally. While there are many informal/indigenous organisations that are not registered at the Social Welfare Department or at the Registrar-General's department that are CBOs actually formed by community members and working to help the community, many formal CBOs that are registered at the Social Welfare Department are actually NGOs working within rural and urban communities. This development does not bode well for the empowerment and development of communities, especially for improving the livelihoods of the poor, many of whom are women and children, because it is the CBOs emerging from within the communities that have intimate knowledge of the people and their challenges within these communities.

Third, the professional and membership associations continue to thrive and do well financially and organisationally, and NGOs, CBOs, and networks/coalitions may have lessons to learn from them. Fourth, there is an increase in faith-based organisations which have quite a following, and this phenomenon can be good for the CS sector as these organisations tend to have great mobilisational capacity and can be assets to advocacy NGOs and CBOs for support for specific policies and for service delivery and aiding the poor. Examples include the Women's AGLOW and the Full Gospel Business Men's Fellowship. Their link with membership associations such as the Christian Council as well as the Pentecostal associations provides a potential power base for advocacy for peaceful elections, accountable governance, and other pertinent issues as they arise.

A fifth development which has potential to change the character of the CS sector is the rise in the number of private sector organisations and in their visibility with regard to economic policy input and advice. Examples include the Private Enterprise Foundation, BUSAC, and the Association of Ghana Industries (AGI). Their collaboration with traditional CSOs particularly on political economy issues of importance can bring in additional expertise that can bolster the arguments of advocacy CSOs in their interactions and negotiations with government and development partners, for example, not to mention additional funding to CSOs whose core interests and functions align with those of the private sector organisations (FGDs). At the same time, it cannot be assumed that the views of these two groups of CSOs will always coincide on some of the fundamental issues of economic and social policy.

Finally, it can be observed that increasingly, the media, particularly the private media, both print and electronic, is assuming a larger role in seeking to hold governments accountable. The private media, as part of civil society, have become quite influential in shaping public opinion and in raising awareness of corrupt practices in the public sector, and have become an important partner aiding other CSOs such as the Ghana Anti-Corruption Coalition and other anti-corruption groups in their work. A broadening of the media's concerns beyond corruption to economic and social policy would strengthen public influence on development policy making. Non media CSOs have a role to play in steering the media in this direction.

Overall, CSOs continue to proliferate in Ghana, and as mentioned in the previous section, continue to make important inputs in policy making, in service delivery, and in helping to improve the well-being of their members. Some of the main challenges they currently face are funding and organisational sustainability. It is these issues which form the subject of the next section of the report.

4. ORGANISATIONAL SUSTAINABILITY I: REGULATORY AND POLICY FRAMEWORK, LEGAL CHARACTER, INTERNAL PROCESSES AND VIEWS ON SUSTAINABILITY

4.1 CSO Regulatory and Policy Framework

The legal and regulatory environment in Ghana provides civil society room to function. This contrasts with the situation in several other countries in Africa. According to one study, CSOs in Africa are facing restrictions in multiple areas of operation (CIVICUS and Open Forum 2011; c.f. Okumu 2012). Okumu (2012) asserts that "by October 2011, thirty-nine governments had either passed, or were in the process of passing pieces of legislation and policies aimed at severely restricting the work of policy and advocacy organizations on the basis that they are non-representative of true citizen voices, are duplicative in their work and not accountable to their constituents and citizens, are foreign agents and are taking on the role of the legislature." Several studies have pointed to the alarming rate at which Civil Society's space is shrinking across the world with over 70 countries affected (WMD 2009, Tiwana 2010, and ICNL 2010). In Africa the shrinking of democratic space has been reported in over 30 countries (Moyo 2010, OSISA 2010; c.f. Okumu 2012).

In Ghana on the other hand, there are no specific laws to regulate or restrict CSOs. Most CSOs that are registered as companies limited by guarantee under the Companies Code, Act 179 of 1963, as voluntary associations under the Trustees Act 1962 (Act 106), or as professional bodies under the Professional Bodies Registration Decree (NRCD 143) of 1976. It is relatively easy to be registered as a CSO in Ghana. However, it is not inexpensive, and the centralisation of registration processes and the requirement for annual renewals create massive inconveniences for CSOs based outside Accra.

The implication is that the legal and regulatory environment in Ghana within which CSOs operate does not really constrain their ability to exist and operate freely. This is borne out by our interviews with the study CSOs. However, there were differences among the different categories of CSOs in their view of the regulatory environment. As depicted in Table 3 and Chart 2, as many as 63.6% of the networks/coalitions and half of the NGO and professional association respondents viewed the legal, regulatory and government policy regime on CSOs as supportive, with 44.4% of membership associations viewing it as supportive. On the other hand, only 33.3% of the CBOs viewed the legal, regulatory and government policy regime as supportive. None of the professional associations surveyed found the legal regime constraining. However, 50% of the CBOs found the legal regime constraining, as did 18.2% of the networks/coalitions, 16.7% of NGOs, and 11.1% of the membership associations.

TABLE 3: RESPONDENTS' VIEWS ABOUT LEGAL/REGULATORY AND GOVERNMENT POLICY REGIME ON CSOs

How do you find the legal and government policy regime?	Type of CSOs					Total N
	NGOs	CBOs	MAs	PAs	Network/ Coalitions	
	%	%	%	%	%	
Constraining	16.7	50.0	11.1	-	18.2	10
Supportive	50.0	33.3	44.4	50.0	63.6	27
Neutral	33.3	16.7	33.3	50.0	18.2	16
Don't know	-	-	11.1	-	-	1
Total %	100.0	100.0	100.0	100.0	100.0	
Total N	24	6	9	4	11	54

BOX 3: REASONS FOR FINDING THE LEGAL AND REGULATORY REGIME SUPPORTIVE

- allows the sustainability of the organization; freedom of association exists;
- registration allows members to be seen as credible, and helps to streamline NGOs;
- it sets the boundaries and limits for CSOs;
- helps us to operate to increase transparency and accountability;
- helps to do things in a democratic manner;
- helps us to gain recognition within the communities we work in;
- it provides guidelines for our operation;
- they do not descend on CBOs even when they are in violation;
- it serves as check on (civil society) institutions to prevent excesses (corruption);
- also contributes to our legitimacy.

Source: Survey of CSOs, 2013

Some of the reasons CSOs gave for experiencing the legal and regulatory policy regime as supportive are indicated in Box 3 above. They speak mainly to a sense of space but also of boundaries, transparency and accountability. Some of those who found the legal and regulatory regime constraining gave reasons which were about problems with the taxation regime and cumbersome registration processes (See box 4 below).

BOX 4: REASONS GIVEN FOR FINDING THE LEGAL REGIME CONSTRAINING

- our organization is not on regular funding but we are expected to pay tax;
- it is challenging to renew our documents;
- we set up a women's empowerment centre and the DA is charging property rates, from which I think we should be exempted;
- unclear rules - registration process is cumbersome, we have to go to Accra;
- tax laws - Ghana Revenue Authority wants us to pay tax as a non-profit organization especially if we are into micro-finance;
- the cost of renewal by Registrar-General every year is high.

(Survey of CSOs, 2013).

The 1992 constitution has created a very progressive rights regime for the protection of civil society. It guarantees freedom of speech, freedom of thought, conscience and belief, freedom of the press and other media, freedom of religion, freedom of assembly, freedom of association, freedom of information and freedom of movement. The key freedoms concerning CSOs can be found under Article 21 of the Constitution (Constitution of Ghana, 1992). As well, Article 37 of the 1992 Constitution enjoins the state to enact appropriate laws to ensure “the enjoyment of rights of access to agencies and officials of the state” and “freedom to form organizations to engage in self-help and income generating projects; and the freedom to raise funds to support these activities.” In spite of the clear wording of Article 37, no new laws have been enacted governing the CSO sector since the 1992 Constitution, though it is universally agreed that the legal regime governing the sector is antiquated (Brobbeey 2011).

In 1993, CSOs opposed an attempt to enact laws that the government had envisioned for them. The opposition grew from the lack of collaboration between CSOs and government in the drafting of the bill, and the fact that it contained provisions which threatened CSO independence. Among others, CSOs specifically objected to the creation of a National Council on NGOs headed by a Minister of State and dominated by government appointees with the power to register or de-register CSOs who refused to cooperate with the government. The process of agreeing on an appropriate regulatory framework for CSOs has been on-going since (Brobbeey 2011).

The closest CSOs and government came to reaching agreement was in 2004, when government and civil society created the *Draft National Policy for Strategic Partnership with NGOs*. It was agreed that this draft policy document should form the basis for national CSO legislation. However, changes in government and personnel adjustments at the relevant sector ministries stalled the agreement's implementation. The most recent version of the CSO Bill differs from the agreed-upon framework in significant respects (Brobbeey 2011), and its prospects for becoming law are not very high. And yet, it is in the policy making environment that CSOs experience some of the most acute challenges. In addition to the lack of a specific CSO policy, the policy advocacy work of CSOs is

hampered by poor transparency in policy making and the domination of policy processes by the IFIs and donors.

4.2 The Legal Character of Formal CSOs

In terms of their legal character, the majority of CSOs in our study (78.8%), were registered as companies limited by guarantee, 7.7% were unregistered, while almost 2% were registered as trusts. Majority of CSOs in this study therefore were within the ambit of the law and were duly registered as per Act 179 of 1963, the Trustees Act of 1962 and the Professional Bodies Registration Decree of 1976. It becomes even more interesting when the period/years in which CSOs registered is considered. Coincident with the finding above (in section 3) that CSOs were positively impacted by the increasingly liberal political and economic environment of the 2000s, is the fact that out of 39 respondent CSOs that had been duly registered as per the laws of Ghana, as many as 64% of them, 25 in number, were registered after 1999, while only 2.6%, 1 CSO, was registered in the period before 1990. Between 1990 and 1999, 13 CSOs out of the 39 respondents (or 33.3%) were lawfully registered.

Table 5 and Figure 3 below show likewise that an overwhelming majority of NGOs (84%), CBOs (83.3%) and networks/coalitions (66.7%) surveyed are registered at the Social Welfare Department, as are 33.3% of membership associations. The 4 professional associations surveyed are the only CSOs not registered at the Social Welfare Department. The significance is that over time, there has been a progressive increase in the number of CSOs in the study's sample that felt unrestricted and free to register without fear of any retribution from government. Significantly, the governments of those periods had begun to champion political and economic liberalization policies. We should note that the sample was dominated by registered organisations only because they were easier to find. Civil society is still dominated by CSOs which are informal and unregistered, in keeping with the largely informal nature of the Ghanaian economy. The next sub-section goes on to discuss our findings on the internal workings of civil society organisations in our sample.

Table 4: REGISTRATION OF CSO RESPONDENTS UNDER GHANAIAN LAW

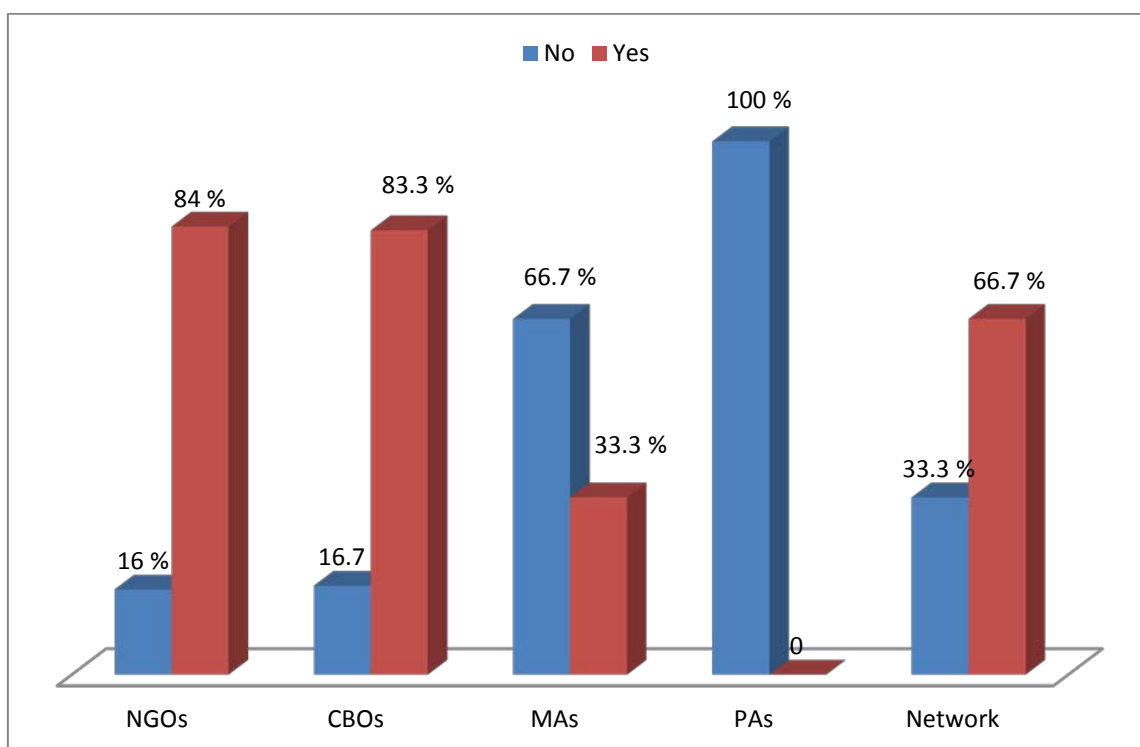
Legal status of CSO	Number [N=52]	Percent [%]	Year of registration of CSO (grouped)	Number of registered	Percent [%]
Registered as a Company Ltd by Guarantee	41	78.8	Year < 1989	1	2.6
Registered as a Trust	1	1.9	1990 – 1999	13	33.3
Unregistered	4	7.7	Year > 1999	25	64.1
Other	6	11.5	Total	39	100.0
Total	52	100.0			

Source: Survey of CSOs, 2013

TABLE 5: TYPE OF CSO AND WHETHER OR NOT THEY ARE REGISTERED AT THE SOCIAL WELFARE DEPARTMENT

Type of CSO	Are you registered at the social welfare department?			
	No %	Yes %	Total %	Total N
NGO	16.0	84.0	100.0	25
Community based Organization	16.7	83.3	100.0	6
Membership Association	66.7	33.3	100.0	9
Professional Association	100.0	-	100.0	4
Network/Coalition	33.3	66.7	100.0	12
Total	19	37	-	56

Figure 3: Type of CSO and whether or not they are registered at Social Welfare Department



Source: Survey of CSOs, 2013

4.3 Internal Workings: Staffing and Accountability

In order to analyse the internal workings of the CSOs sampled, we examined the current staff strength of CSOs. 23 (39.6%) of organisations had no permanent staff, while 24 (41.3%) had between 1 and 5 permanent staff, while 5 (10.4%) had between 6-10 employees. Only 2(3.4%) had 21-25 employees, and the figure was similar for those with between 26 and 30 and those who had 31 and above employees (Table 6).

Table 6: NUMBER OF FULL TIME EMPLOYEES IN CSOs

Number of full-time employees	Frequency	Percent
0	23	39.6
1-5	24	41.3
6-10	5	10.4
11-15	1	1.7
16-20	1	1.7
21-25	2	3.4
26-30	2	3.4
31-above	2	3.4
Total	58	100

Disaggregated by type of CSO, we found that only the membership associations (42.8%) and the professional associations (50%) had 31 or more permanent staff working for them. Significantly, when the percentages for the number of permanent staff ranging from 1-5 and 6-10 were combined, most NGOs (56.5%), CBOs (49.9%), and networks (81.9%) had permanent full-time staff, ranging from 1-10 (see Table 7 below). The study found that permanent staff, full time and part-time were a minuscule share of the total numbers employed by respondent CSOs. What this underscores is that the capacity and sustainability of CSOs is potentially hampered by their poor staff strength, especially full time permanent staff that will be able to dedicate their time and talents to enhancing the work of CSOs. The paucity of full-time staff can also be attributed to the funding deficits faced by CSOs, especially the dwindling of core funding for operational/institutional support.

Table 7: NUMBER OF PERMANENT FULL TIME EMPLOYEES PER CSO

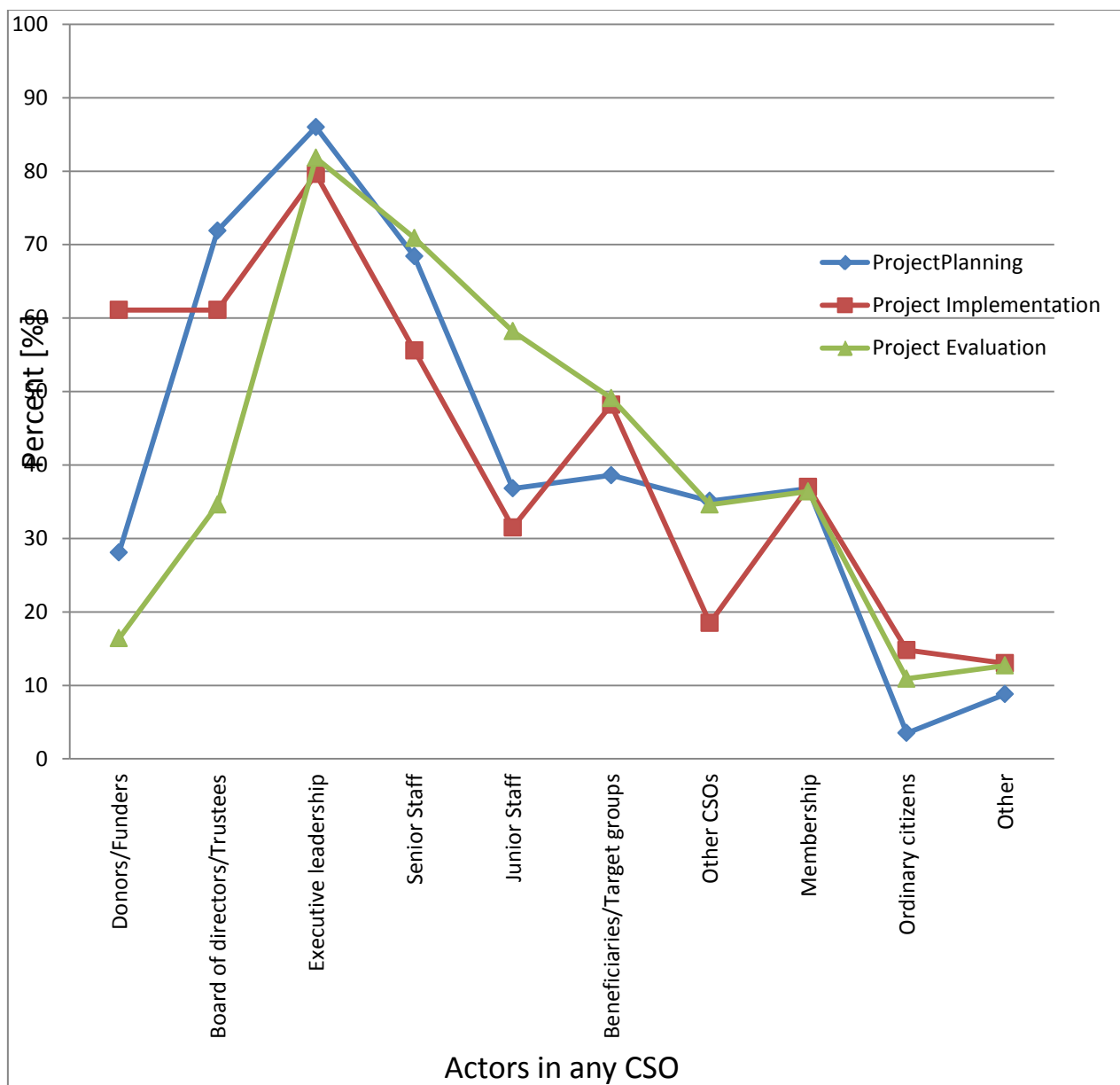
How many permanent staff do you employ?	Type of CSOs					Total N
	NGOs	CBOs	MAAs	PAs	Network/ Coalitions	
	%	%	%	%	%	
None	-	-	14.3	25.0	-	2
1-5	30.4	49.9	14.3	25.0	36.4	16
6-10	26.1	-	28.6	-	45.4	13
11-15	21.7	16.7	-	-	9.1	7
16-20	4.3	-	-	-	-	1
21-25	4.3	16.7	-	-	-	2
31 and above	13.0	16.7	42.8	50.0	9.1	10
Total %	100.0	100.0	100.0	100.0	100.0	
Total N	23	6	7	4	11	51

Governments have over the years regularly raised questions about the internal workings of CSOs - who they represent, how they account to them and the efficacy of their internal structures. These were issues we explored in our study as questions of sustainability by asking CSOs about staffing and the participation of beneficiaries/target groups and citizens in planning, implementation and evaluation of their activities (see Figure 4 below). CSO respondents painted a picture of CSO management where the executive leadership of organisations were those involved in almost 90% of project planning, organisations involved CSO beneficiaries and target groups in about 40% of planning, while citizens were at the very bottom of the ladder - they were involved in only 5% of planning activities. A similar trend also held for the involvement of the executive leadership, target groups and ordinary citizens in project implementation and evaluation. The low involvement of citizens and the relatively low involvement of target groups/beneficiaries at all three stages of management may raise questions about CSO accountability and long-term sustainability.

There were variations among the different types of CSOs, however, regarding participation in their activities as Table 8 below demonstrates. Generally, donors, board of directors/trustees, the executive leadership, and senior staff were those most involved in the planning and evaluation of programmes and projects, and particularly more so for the NGOs and CBOs than for the Membership and Professional Associations and Networks/Coalitions. The donors were generally not involved as much in the implementation of programmes and projects of the different CSO types. Interestingly, beneficiaries/target groups were involved in planning, implementing and evaluating programmes and projects much more than membership (this is probably because the NGOs usually do not have formal members) and ordinary citizens among the NGOs, and beneficiaries were involved much more at all three stages of management than ordinary

citizens among all the CSO types (ranging from 23.1% to as much as 80% involvement). The CBOs, Membership and Professional Associations, and even the networks to a smaller extent, tended to involve their beneficiaries/target groups more in planning, implementation and evaluation, although there were some variations. The stronger involvement of beneficiaries is to be applauded. If indeed CSOs and the CS sector are to be sustainable, the target groups/beneficiaries of their programmes and to some extent ordinary citizens as much as possible, must be involved more in conception, planning, implementation and evaluation of their programmes and activities, so that they will be better informed about policies being pursued and CSO engagement with government. This would enhance CSOs' accountability to their target groups and citizens as well as donors (where applicable). In this way, the Ghanaian citizenry and specific target groups will continue to embrace the need for and give their support to the CS sector.

Figure 4: MAJOR STAGES OF CSO ACTIVITIES AND THE DISTRIBUTION OF VARIOUS ACTORS INVOLVED.



**Table 8: PERSONS INVOLVED IN CSO PROGRAMMES AND PROJECTS
MULTIPLE RESPONSES**

Persons involved in the planning of CSOs programmes and projects	Type of CSOs				
	NGOs	CBOs	MAs	PAs	Network/ Coalition
	%	%	%	%	%
Donors	28.0	60.0	11.1	25.0	15.4
Board of Directors/Trustees	60.0	100.0	44.4	100.0	92.3
Executive leadership	92.0	100.0	88.9	75.0	76.9
Senior staff	76.0	60.0	44.4	75.0	69.2
Junior staff	44.0	40.0	22.2	25.0	46.2
Beneficiaries	40.0	60.0	33.3	50.0	23.1
Other CSOs	32.0	20.0	22.2	50.0	46.2
Membership	16.0	40.0	77.8	0.0	46.2
Ordinary citizens	4.0	0.0	0.0	0.0	7.7
Total	23	5	9	4	13

Persons involved in implementing CSOs programmes and projects	NGOs	CBOs	MAs	PAs	Network/ Coalition
	%	%	%	%	%
	Donors	12.0	20.0	12.5	0.0
Board of Directors/Trustees	40.0	80.0	12.5	0.0	30.8
Executive leadership	96.0	100.0	50.0	66.7	69.2
Senior staff	80.0	60.0	62.5	66.7	61.5
Junior staff	68.0	60.0	37.5	33.3	69.2
Beneficiaries	44.0	60.0	37.5	66.7	46.2
Other CSOs	32.0	40.0	12.5	66.7	46.2
Membership	20.0	60.0	100.0	0.0	15.4
Ordinary citizens	12.0	0.0	0.0	0.0	15.4
Total	25	5	8	3	13

Persons involved in evaluating CSOs programmes and projects	NGOs	CBOs	MAs	PAs	Network/ Coalition
	%	%	%	%	%
	Donors	70.8	60.0	33.3	100.0
Board of Directors/Trustees	58.3	100.0	44.4	66.7	75.0
Executive leadership	83.3	100.0	77.8	66.7	66.7
Senior staff	58.3	60.0	44.4	66.7	41.7
Junior staff	33.3	40.0	22.2	33.3	33.3
Beneficiaries	45.8	80.0	33.3	66.7	41.7
Other CSOs	20.8	20.0	11.1	66.7	16.7
Membership	20.8	40.0	55.6	0.0	50.0
Ordinary citizens	16.7	0.0	11.1	0.0	25.0
Total	24	5	9	3	12

Source: Survey of CSOs, 2013

4.4 CSO Views on their Role, Effectiveness and Legitimacy

The Role of CSOs

The CSOs sampled had interesting views about what their roles were in light of their theory of change, in other words, in light of what they, as CSOs, were trying to change. In Table 9 below, out of 58 CSOs interviewed, a plurality and in some cases majority of them saw their role as Facilitators, more than as Catalysts or as Leaders. Specifically, 46.2% of NGOs, 66.6% of CBOs, 44.4% of Membership Associations, 50% of Professional Associations, and 30.7% of the Networks/Coalitions saw their role as Facilitators. As many as 26.9% of NGOs, 25% of Professional Associations, and 30.7% of Networks/Coalitions considered themselves to have roles other than these three. As facilitators, catalysts, leaders, and playing other roles, CSOs had variations and also some commonalities in conditions that they thought had to be in place for the change they sought to happen. Some of these conditions were in their control and others were outside of their control (See Appendix 2, A10, for the details of conditions identified).

Table 9: WHAT CSOs CONSIDER THEMSELVES TO BE IN LIGHT OF THEIR DESCRIPTION OF THEIR THEORY OF CHANGE

Type of agent of change	Type of CSO					Total N
	NGOs	CBOs	MAs	PAs	Network/ Coalition	
	%	%	%	%	%	
Catalyst	15.4	16.7	22.2	0.0	30.7	11
Leader	11.5	16.7	22.2	25.0	7.9	8
Facilitator	46.2	66.6	44.4	50.0	30.7	26
Other	26.9	0.0	11.2	25.0	30.7	13
Total %	100.0	100.0	100.0	100.0	100.0	
Total	26	6	9	4	13	58

Suffice it to say here that most of the CSOs linked their recognition of change to their core mandates or what they saw as their goals or missions. For example, some responses regarding how CSOs would know if the change had come mentioned "improvement in the working conditions of Ghanaians; when more women are involved in decision making at all levels; when there are clear changes in policies and laws; when the policies and laws are implemented at the grassroots, creating the right platforms for NGOs." Such linkages made by CSOs show that most CSOs have clarity about what their mandates and goals are and are seeking to realize these goals for the benefit of their constituencies.

Perceptions of Organisational Effectiveness

Over the past few decades, the size of Ghanaian CSOs, their numbers, scope of activities and influence have grown massively, arguably, in response to the challenges of and opportunities for reducing poverty, promoting human development and strengthening democratic governance in the country. Their increasing visibility has understandably raised concerns among donors and other stakeholders about their effectiveness and legitimacy as two core ingredients of their work and impact. CSOs have their own conceptions of these issues which guide their work. In keeping with our view that these needed to be taken into account in organisational assessments and evaluations of the sector as a whole, we elicited responses from respondent CSOs about these issues.

Regarding the effectiveness of individual organizations in the sector, almost one half of CSOs (49.1%) rated themselves as ‘very effective’ while 34.5% and 16.4% respectively rated their organizations as ‘effective’ and quite effective’ (Table 10 below). Concerning how effectiveness was measured the organizations mentioned several ways, and the frequently cited ones were: whether targets set in strategic plans regarding fundraising, programme delivery and so forth have been achieved; sustainability of results; number of women taking up positions and participating in meetings in the community, the number of shea-butter processing machines set up in the communities, women constantly engaged in production, improvement in their living conditions; how the communities, donors, sector ministries and the media respond to their success stories; number of farmers adopting organic farming practices and its accompanying results; increased requests from policy makers to participate in high policy forum and programmes and finally, through external and internal self-evaluations. While the responses provided by CSOs were varied and in some cases very specific, it became clear that to a large extent, the measures used for evaluating their effectiveness depended on the type of CSO, its aims and objectives and its primary field of work. However, it would be useful if CSOs agreed some generic measures of effectiveness for their own use, for evaluations and for general assessments.

Table 10: EFFECTIVENESS OF CSO IN ACHIEVING AIMS AND OBJECTIVES

Variables	Frequency	Percent
Very effective	27	49.1
Effective	19	34.5
Quite effective	9	16.4
Not very effective	0	0
Not at all effective	0	0
Total	55	100.0

4.5 CSO types and perceptions of effectiveness

Further in-depth exploration of how the various types of CSOs perceived their level of effectiveness revealed that 40% of NGOs viewed themselves as “very effective” and another 40% as “effective”. The remaining 20% considered themselves to be “quite effective”. In the case of the CBOs, 66.7% of respondents perceived their organisations to be ‘very effective’ as against 33.3% who thought they were ‘quite effective’. For membership associations, 62.5% said they were ‘very effective’ and 37.5% found their organisations to be ‘quite effective’. 100% of professional association respondents perceived their organisations to be ‘very effective’ in their work. In the case of networks and coalitions, 25% saw their organisations as ‘very effective’, 58.3% as ‘effective’ and 16.7% as ‘quite effective’ (Table 11). From the foregoing, it can be seen that professional associations tend to view themselves as the most effective, followed by CBOs, MAs, NGOs and the networks/coalitions respectively. While these are subjective assessments, the results are not surprising. The networks which had identified challenges such as getting their members to commit fully were the most modest in their assessments while professional associations, whose mandates were more straightforward and who were relatively secure with their dues paying membership rated their effectiveness very highly.

Table 11: TYPE OF CSO LEVEL OF EFFECTIVENESS

Level of effectiveness	Type of CSOs					Total N
	NGOs	CBOs	MAs	PAs	Network/ Coalitions	
	%	%	%	%	%	
Very effective	40.0	66.7	62.5	100.0	25.0	26
Effective	40.0	-	37.5	-	58.3	20
Quite effective	20.0	33.3	-	-	16.7	9
Total %	100.0	100.0	100.0	100	100.0	
Total N	25	6	8	4	12	55

Table 12: WHETHER CSOs WERE EXPERIENCING CHALLENGES REMAINING EFFECTIVE

Answer	Frequency	Percent
Yes	52	92.9
No	4	7.1
Total	56	100.0

The CSOs were also questioned about whether they experienced any challenges remaining effective and the great majority of organizations (92.9%) suggested they did, while only 7.1% said they did not (See Table 12 above). The various categories of CSOs however differed in the challenges they identified as hampering their ability to remain effective. These included- poor funding and the competition for it among CSO in the sector; apathy on the part of coalition/network members in attending meetings regularly and paying their dues; attracting and retaining high calibre staff for writing winning project proposals and program implementation; socio-cultural conflicts associated with some of their interventions; issues of gender inequality and lack of clear entry points for policy engagement; logistical problems such as lack of equipment and transport; generating evidence from duty bearers for advocacy work; politicisation of developmental issues; and the tendency for donors to favour bigger CSOs in Accra because of their superior organisational capacities (Survey of CSOs, 2013). These findings suggest that most CSOs, irrespective of their organisational form, had experienced difficulties remaining effective. However, their particular challenges depended on their organisational form.

In order to address some of these challenges, the different types of CSOs adopted particular measures. To address funding challenges, some relied on membership contributions for running their day to day activities; others tried to diversify their funding sources, encourage members of their networks to live up to their commitments, cut down on staff and engage more volunteers as well as explore the possibilities of generating income internally. In addition, respondents mentioned efforts to develop partnerships with local government institutions and other CSOs-both local and international in programme implementation; to maintain a clear vision that allows them to remain focussed in their work; to educate communities on how to ensure the long-term sustainability of their activities; and finally keeping abreast with government policies and to work within those frameworks as some of the useful ways in which they try to manage their challenges (Survey of CSOs, 2013).

As a further measure of their effectiveness, the CSOs were also questioned about whether they had evaluation mechanisms in place for tracking their results and what those mechanisms entailed. 81.5% of the study CSOs said they had such systems in place while the minority of them 18.5% did not have them. A disaggregation of the data by type of CSO showed that all the CBOs (100%) said they had such mechanisms in place, followed by 95.7% of NGOs, 75% of professional associations, 66.7% of networks/coalitions and 55.6% of membership associations respectively (See table 13 below).

Table 13: CSOs TYPES AND AVAILABILITY OF EVALUATION MECHANISMS

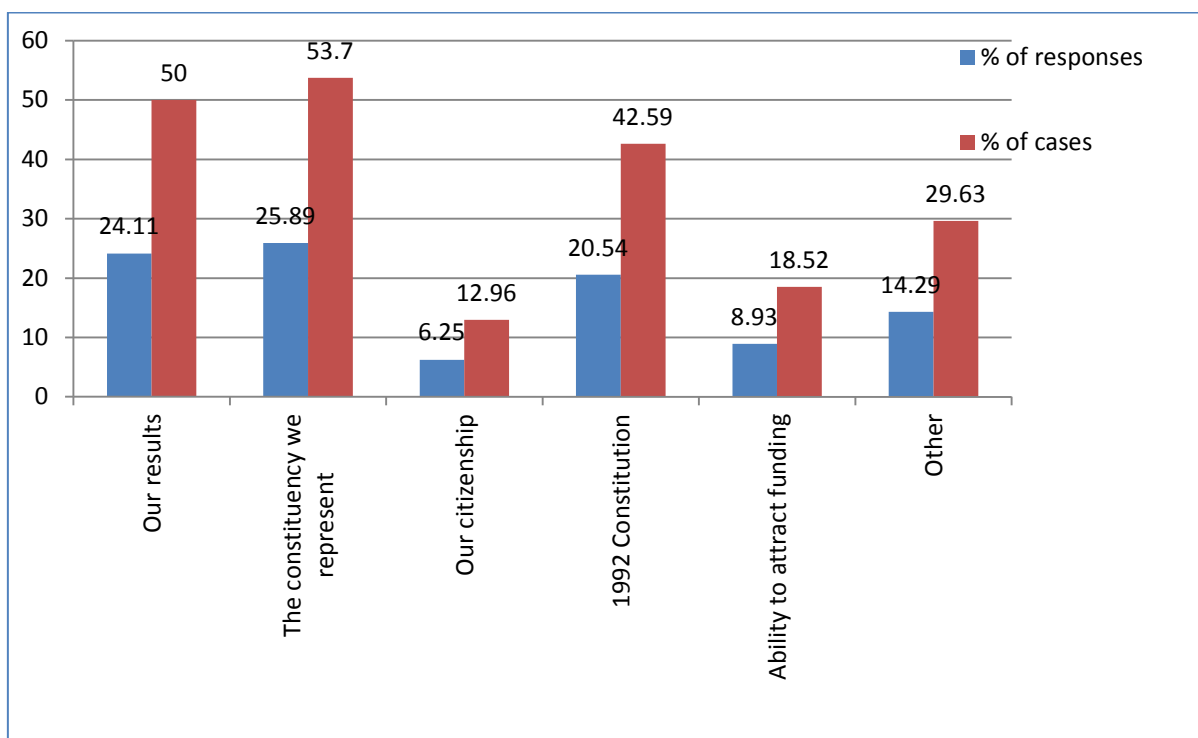
Do you have evaluation mechanisms?	Type of CSOs					Total N
	NGOs	CBOs	MAs	PAs	Network/ Coalitions	
	%	%	%	%	%	
No	4.3	-	44.4	25.0	33.3	10
Yes	95.7	100.0	55.6	75.0	66.7	44
Total %	100.0	100.0	100.0	100.0	100.0	
Total N	23	6	9	4	12	54

Interestingly, the organisations which had the most ‘yes’ answers to evaluation mechanisms (CBOs and NGOs) were also the ones which were most reliant on donors who may have demanded such mechanisms as part of the terms and conditions for funding them. The evaluation mechanisms employed by CSOs usually took the form of baseline surveys, middle and post-implementation monitoring and evaluations undertaken internally by CSOs themselves or by external consultants contracted by donors. The evaluations may be done on a monthly, quarterly or annual basis, depending on the nature and duration of projects, and the key stakeholders such donors, local government institutions and target communities are often involved in such evaluations.

Legitimacy: Sources, Threats and Protection

In response to the question regarding the sources of legitimacy of individual CSOs, three sources were the most mentioned. The highest mention of a source (26 %) was constituency; 24% named their results, whilst 21% invoked the 1992 Constitution. A small number of CSOs (8.9%) mentioned their ability to attract funding as a source of their legitimacy. This suggests that financial resources were not viewed by the majority as a source of legitimacy. In any case, the ability to attract funding seems to be more evidence of legitimacy than a source.

Figure 5: Sources of CSO legitimacy



Source: Survey of CSO, 2013

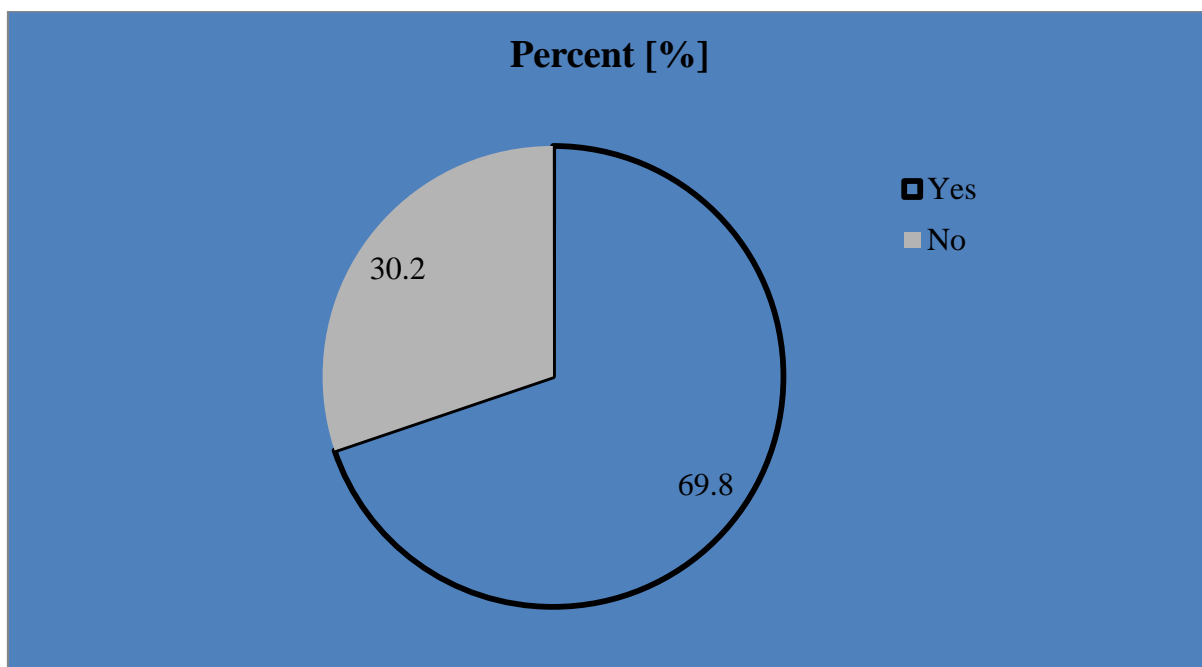
These views are consistent with the findings of the focus group discussions conducted in the regions in which the participants perceived the legitimacy of CS sector as coming from these three major sources. When the sources of legitimacy data was disaggregated by type of CSO, it revealed differences among CSOs in the sources of legitimacy they emphasised. While 41.1% of CSOs, 25.9% of networks/coalitions, 11.1% of membership associations, 7.4% of CBOs and 7.4% of professional associations viewed their legitimacy as coming from their results, NGOs, networks/coalitions and professional associations mentioned more multiple sources of legitimacy than membership associations and CBOs (Table 14, below).

When asked how they protected or maintained their legitimacy individually as CSOs, responses reflected the diversity in the sources of legitimacy. Legitimacy protection measures included the following: ensuring good relations with donors, coalition/network building, transparency in managing and accounting for funds, renewal of their business certificates with the Registrar General’s Department, compliance with existing constitutions and bye-laws that guide the work of individual CSOs, fulfilment of their mandates to their constituents and the use of monitoring and evaluation mechanisms to track their results. When asked whether they experienced difficulties maintaining legitimacy, the great majority of CSOs (69.8%) answered in the affirmative while 30.2% answered in the negative and this is shown Figure 6 below.

Table 14: TYPES OF CSOs AND THEIR SOURCES LEGITIMACY

Source Legitimacy of	Type of CSO					Total N
	NGO %	Community Based Organization %	Membership Association %	Professional Association %	Network/Coalition %	
Results	48.1	7.4	11.1	7.4	25.9	27
Our Constituency	37.9	17.2	17.2	6.9	20.7	29
Citizenship	71.4	-	-	14.3	14.3	7
1992 Constitution	59.1	-	4.5	13.6	22.7	22
Ability to attract funding	60.0	-	10.0	20.0	10	10
Other	40.0	6.7	20.0	6.7	26.7	15
Total N	21	6	9	4	12	52

Figure 6: DO YOU EXPERIENCE ANY DIFFICULTIES MAINTAINING LEGITIMACY?



The factors cited by CSOs as constituting major constraints to their ability to maintain legitimacy again mirrored the foundations from which the different types of CSOs claimed their legitimacy. Thus depending on the type of CSO, the respondents cited the following as the major challenges they faced in trying to maintain their legitimacy: dwindling, delayed or irregular donor funding; when there is a mismatch between what the community wants and what CSO can offer because of the priorities of their funders; membership apathy when they do not benefit from funds channelled through the networks/coalitions; the tendency for the wider goals of coalitions/networks to conflict with those of some members; people flouting the rules and regulations that govern their individual organisations and networks; cumbersome procedures for CSO registration; competition from politicians implementing similar projects as CSOs, and the tendency for CSO employees to misappropriate project funds. In response to the question as to whether their legitimacy has been challenged by anyone, only a surprisingly small number of CSOs (33%) affirmed that their legitimacy had ever been challenged while 67% suggested otherwise.

4.6 Working Relationships with others and among themselves

We examined whether CSOs had working relations with state institutions and actors such as parliament, political parties, sector ministries, district assemblies, constitutional bodies as well as organizations of the private sector (e.g. Association of Ghana Industries, Chamber of commerce, mines) and private sector businesses and the particular nature of their relationships. This was to explore the convening power of CSOs. The findings, which are in averages, reveal that the greater majority of CSOs (90.4%) had relations with the district assemblies. 75% also had relations with both sector ministries and constitutional

bodies. The figures for relations with the private sector (53.5%) parliament (45.8%) and political parties (42%) were lower, while even fewer CSOs reported relations with private sector organizations (19.1%) when compared with their interactions with state institutions (see Table 15 below).

Table 15: CSOs WITH WORKING RELATIONSHIPS WITH THE FOLLOWING ORGANISATIONS

Organisations	Responses		
	Yes	No	Total
Parliament	22 (45.8)	26 (54.1)	48 (100)
Political Parties	20 (42.6)	27 (57.5)	47 (100)
Sector Ministries	42 (75.0)	14 (25.0)	56 (100)
District Assemblies	47 (90.4)	5 (9.6)	52 (100)
Constitutional Bodies	33 (75.0)	11 (25.0)	44 (100)
Organizations of the Private sector e.g. AGI, Chamber of commerce	8 (19.1)	34 (81.0)	42 (100)
Private Sector	23 (53.5)	20 (46.5)	43 (100)
Others	10 (100)	-----	10 (100)

The nature of relationship that CSOs had with state institutions and actors; organisations of the private sector and the private sector more generally were found to be quite varied and dependent on particular types of CSO, but also the nature of the organisations in question. With the district assemblies and sector ministries CSOs, particularly NGOs and CBOs sought collaboration mainly to implement their programmes and projects (e.g. water, sanitation, health, agriculture) at the district and community levels. For them these state institutions serve as entry points through which they were able to engage with the communities. In the case of constitutional bodies, political parties and parliament, some of the CSOs, particularly the networks/coalitions which often were issue-based, engaged in advocacy on policy issues in various spheres of life important for their sector (e.g. water and sanitation, health, education and environment) and the constituencies they served. Regarding organisations of the private sector and private sector organisations, CSOs, particularly urban-based NGOs sought collaboration within the framework of their corporate social responsibility initiatives in the form of funding to implement some of their activities.

The collaboration of CSOs with some of these organizations however was not without challenges. In relation to the district assemblies in particular, CSOs involved in advocacy and community empowerment have sometimes found themselves accused of inciting communities against the assembly. CSOs have also complained about the tendency for the top hierarchy of the district assemblies and members of parliament to refract development

issues through party political lens, and at times to duplicate their activities as a way of gaining legitimacy.

On matters concerning cooperation among CSOs in the sector the findings reveal an overwhelming majority (92.9%) were in some kind of collaboration with other CSOs while 7.1% said they were not as shown in Figure 7 below.

FIGURE 7: CSOS with working relationship with other CSOS.

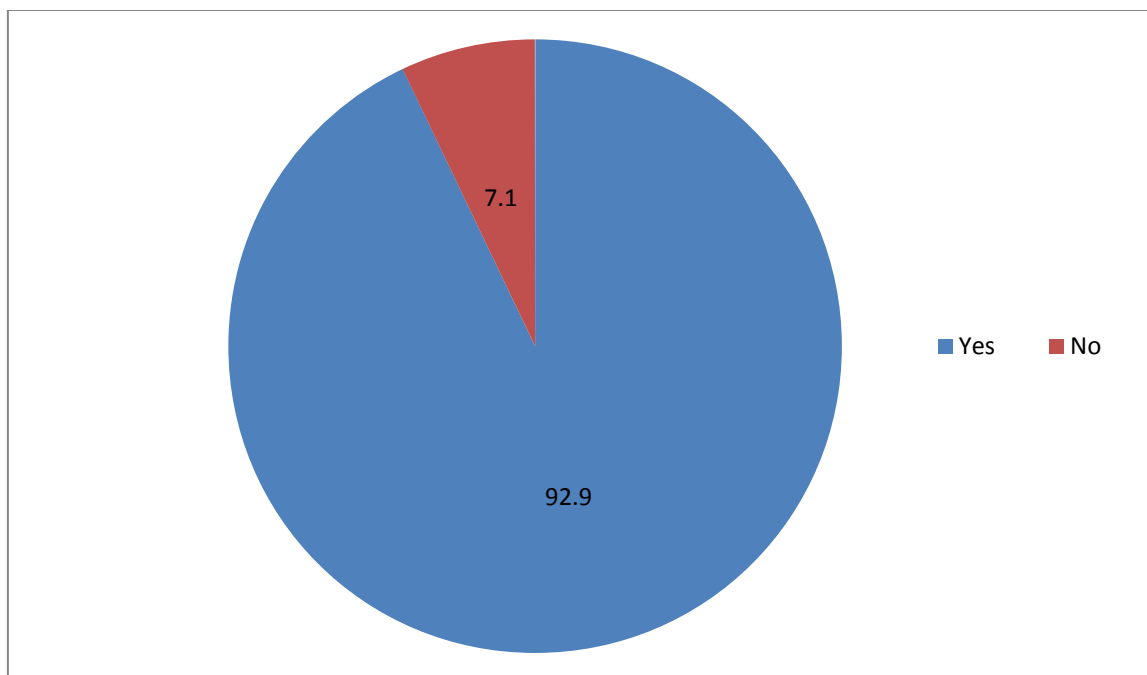


Table 16: TYPE OF CSO AND PRESENCE OF CSO-CSO COLLABORATION

Are you in a working relationship with other CSOs?	Type of CSOs					Total N
	NGOs	CBOs	MAs	PAs	Network/ Coalitions	
	%	%	%	%	%	
No	5.0	-	40.0	-	-	3
Yes	95.0	100.0	60.0	100	100	39
Total %	100.0	100.0	100.0	100.0	100.0	
Total N	20	4	5	3	10	42

A further analysis of the results of the study regarding whether or not the CSO studied had working relationships with each other by the various categories of CSOs shows that 100% of CBOs, professional associations, and networks/coalitions had relationships with other CSOs, with 95% of NGOs and 60% of membership associations having such relationships as well (Table 16 above). Two dominant modes of interaction among the CSOs in the study are discernible- as members of networks or coalitions and as partners collaborating to implement joint activities. As members of networks or coalitions these relations among CSOs are often regional, issue-based and provide a bigger platform for policy engagement and access to funding beyond the capacities of individual organisations. These networks are however faced with challenges of ownership, human resources, shrinking membership and competition between network and members for funding and space. Regarding collaboration between CSOs, and more particularly between NGOs and CBOs as partners, the tendency is to have bigger NGOs from Accra seeking collaboration with smaller regional, district and community level NGOs and CBOs to implement projects.

The Ghana AIDS Commission is viewed as one of the major drivers of such collaborations. As part of its strategy in the HIV/AIDS response, the Commission encourages bigger CSOs assessed to have better organizational capacities to build the capacities of less endowed CSOs to ensure the greater effectiveness of interventions. However, the structure of these collaborations and their funding arrangements are creating new hierarchies in the CSO sector with attendant tensions which were palpable during interview and focus group discussions. This is at the roots of the persistent feeling that donors preferred larger organisations. This is an issue which requires attention going forward. A vibrant CSO sector requires that its different parts work together and draw synergies in a horizontal rather than vertical manner.

Overall, this section has shown that the prospects for sustainability of CSOs in Ghana are reasonable in terms of the legal and regulatory regime for CSOs, their internal workings and processes, as well as their roles, effectiveness, and legitimacy, although there are certain challenges and shortcomings to be addressed going forward. However, a fuller assessment of organisational sustainability requires a consideration of their funding issues and dynamics, and this is the subject of the next section of the report.

5. ORGANISATIONAL SUSTAINABILITY II: FINANCIAL HEALTH IN A POST-AID DISPENSATION

This section discusses the financial sustainability of Ghanaian CSOs and their sector as an important element of organisational sustainability using five criteria- a) diversity and security of funding sources, b) quantum of funding received annually, c) composition of funding portfolio in terms of proportion of grants which are multi-year and represent core funding; d) structure of expenditures and e) perceptions of the organisation's financial health. The analyses mostly provide mean figures, although where possible, the data is disaggregated to enable a closer look at individual organisations as well as the different categories of CSOs in the study.

5.1 Sources of funding

Table 17 below presents the consolidated funding structure of the CSOs surveyed. This structure refers to types and proportions (weights) of their funding sources in the years from 2007 to 2012. Source proportions are presented as simple averages across the sample of CSOs over a six year period (2007-2012). Cross-sectional differences were found among individual CSOs as reflected in the proportional ranges (i.e. minimum and maximum percentages). Nevertheless, the mean proportions are still meaningful and relevant for assessing the overall financial sustainability of CSOs in Ghana.

Table 17: CONSOLIDATED FINANCIAL STRUCTURE OF GHANAIAN CSOS(MULTIPLE RESPONSES)

Source of funding and average percent of funding					
Source of funding	Number of CSOs	Mean percent of funding (%)	Standard deviation	Minimum percent (%)	Maximum percent (%)
Individual giving	9	20.9	21.1	1.0	60.0
Private sector	7	9.0	18.1	1.0	50.0
Government funding	5	16.4	17.4	2.0	45.0
Multilateral donors	8	32.3	33.6	0.5	100.0
Bilateral donors	13	30.5	24.7	5.0	87.0
International NGO	11	38.4	23.2	5.0	70.0
Grant making foundations	3	26.7	29.3	5.0	60.0
Basket/intermediary funds	10	36.1	21.3	8.0	70.0
Fees(membership/service provision	16	42.7	37.7	0.5	100.0
Others	10	46.0	26.5	5.0	92.0

Table 17 above reveals that on average, membership fees (42.7%) constituted the largest source of funding for some CSOs. This high proportion of membership fees is on account of the inclusion of large and established membership associations such as GNAT and TUC which often deduct their fees at source from the income of members and are therefore able

to mobilise huge, secure and sustainable sources of funding for their organizations. On the other hand, when sources such as international NGOs (38.4%), basket intermediary funds (36.1%) multilateral donors (32.3%) bilateral donors (30.5%) in their order of numerical significance are lumped together it becomes clear that overall; the CSOs surveyed continue to depend substantially on donor sources to finance their work. The table also clearly depicts that individual giving (20.9%) government funding (16.4%) and private sector (12.1%) are relatively insignificant sources of funding to CSOs. However, in recent years where the concept and practice of corporate social responsibility is increasingly gaining ground in the Ghanaian business community there would seem to be some potential for increased private sector support to CSOs in the future. We discuss this issue in more detail in the next section of the report.

In order to gain more insight into which types of CSOs were receiving funding from the range of sources listed, the initial results were further disaggregated by the categories of CSOs that formed the focus of the survey (See Table 18 below). The findings show that NGOs, followed by networks/coalitions tended to attract funding from all the sources of funding listed, while the other types of CSOs tended to fall short significantly on specific sources. However, there was the tendency for funding from bilateral and foreign donors, international NGOs and basket funding to score higher (50% or more) in the funding sources of NGOs than all the other types of CSOs. For the networks/coalitions that follow immediately after the NGOs in terms of the variety and weight of their funding sources, private sector funding (38.5%) made up the highest source, followed by philanthropy (33.3%), individual giving, government funding (23.5%) and multilateral donors (20%) respectively. On the part of CBOs their major sources of funding were found to be basket funding (16.4%), membership fees (15.2%), government funding (11.8%) bilateral donors (11.5%), international NGOs (10.8%) grant foundations (10%) with other sources falling below 10%.

With membership associations, their highest source of funding came from philanthropic organisations (33.3%), followed by membership fees (24.2%), private sector (23.1%) grant making foundations (20%) and individual giving (17.6%) respectively, with the rest of their funding from other sources making a contribution of less than 10%. On the part of professional associations, foreign donors (20%) constituted their highest source of funding, followed by government funding (11.8%) grant making foundations (10%), with other sources contributing fewer than 10%. The disaggregation of funding sources of the various types of CSOs surveyed shows diversity in their funding sources, which is positive for financial sustainability if these sources are reliable. However, too much diversity of funding sources can also be challenging for small organisations in terms of the administrative machinery and time needed to account to each donor.

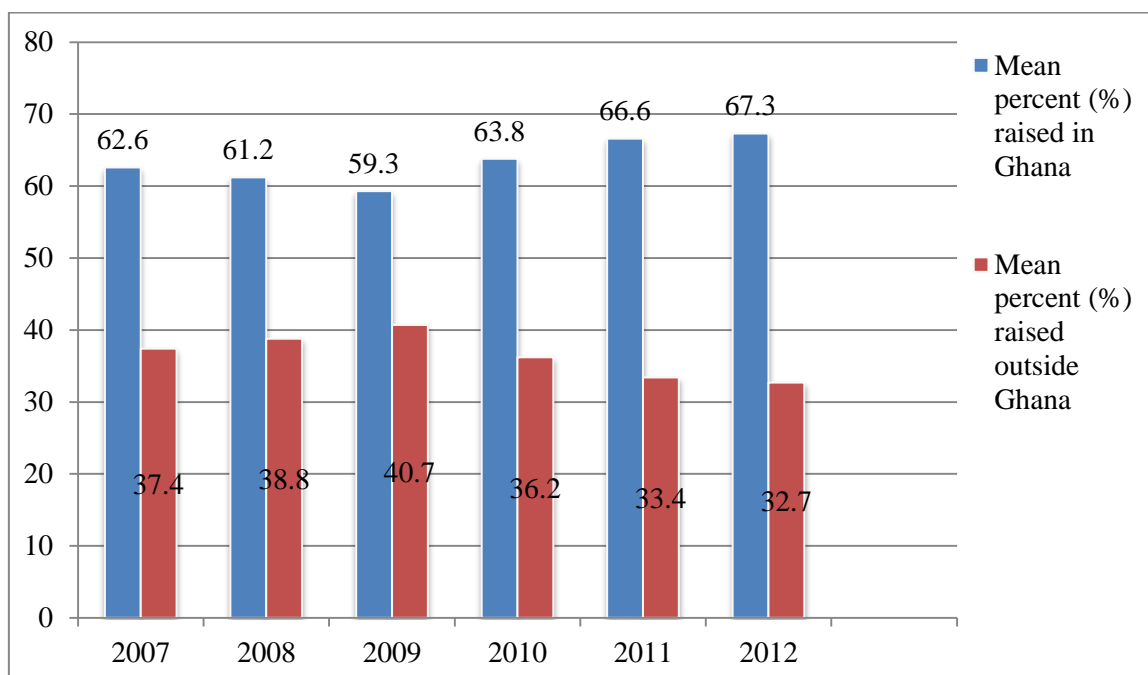
An aspect of diversity we explored was the proportion of funds solicited from inside and outside Ghana. From figure 8 below, it is clear that on the average, funds raised from within the country persistently outstripped that raised from outside the country for the seven-year period under study. In relation to this focus group discussions conducted in the regions yielded additional evidence that the bigger CSOs in Accra tended to attract funds from within the country, whilst those in the regions, districts and communities tended to attract their funds from outside. Arguably, due to their better organizational capacities and proximity to opportunities, CSOs in Accra were better able to tap into local sources of finance which were mainly bilateral and multi-lateral donors, while the smaller organisations depended mainly on INGOs and foundations.

In addition, the graph depicts a picture of the funds raised within the country declining steadily between 2007 and 2009 (i.e. from 62.2% to 59.3%). A steady increase then follows this starting from 2009, which peaks at 67.3% in 2012. The volume of funds raised from outside Ghana on the hand shows a somewhat opposite trend in which a gradual increase is observed between 2007 and 2009 (i.e. from 37.4% to 40.7%) after which time a continuous decline is seen between 2009 and 2012 (i.e. from 40.7% to 32.7%). While there may not be an overall decrease in the quantum of funding the sector is receiving, the decline of outside sources may be felt more acutely by some organisations depending on their funding sources.

Table 18: TYPE OF CSO AND SOURCES OF FUNDING (MULTIPLE RESPONSES)

SOURCES OF FUNDING	Type of CSO					Total %	Total N
	NGOs %	Community Based Organizations %	Membership Associations %	Professional Associations %	Network/ coalitions %		
Individual giving	47.0	5.9	17.6	5.9	23.5	100.0	17
Private sector	30.8	7.6	23.1	-	38.5	100.0	13
Government funding	47.0	11.8	5.9	11.8	23.5	100.0	17
Multilateral donors	53.3	6.7	6.7	20.0	13.3	100.0	15
Bilateral donors	53.8	11.5	3.9	7.7	23.1	100.0	26
International NGO	50.0	10.8	7.1	7.1	25.0	100.0	28
Grant Making Foundations	40.0	10.0	20.0	10.0	20.0	100.0	10
Basket funding	50.0	16.6	4.2	4.2	25	100.0	24
Philanthropy	33.3	-	33.3	-	33.3	100.0	3
Membership fees	33.3	15.2	24.2	6.1	21.2	100.0	33
Other sources	42.9	-	35.7	7.1	14.3	100.0	14
Total N	24	6	9	4	12		55

Figure 7: DISTRIBUTION OF CSO FUNDING BY PERCENTAGE SOURCED IN- AND OUTSIDE GHANA



A more detailed analysis of the percentages of funding sourced from inside and outside with regard to the various types of CSOs studied was done using the year 2012 as the reference point and the results are shown in Table 19 below. From the table, it can be seen that the CSOs sourcing 100% of their funding from inside was made up of 100% of membership associations, 62.5% of networks/coalitions, 50% of CBOs, 44.4% of NGOs in order of significance, with NGOs (27.8%) and networks/coalitions (25%) falling within the band of 0-24% that constitutes the lowest percentage of funds sourced from within. When it comes to mobilising funds from outside, the CSOs mobilising 100% of their funds from that source constituted 16.6% of NGOs and 12.5% of networks/coalitions, while 100% of membership associations, 62.5% of networks/coalitions, 50% of both NGOs and CBOs fall within the lowest band of 0-24%.

Table 19: PERCENTAGE OF FUNDS SOURCED WITHIN AND WITHOUT FOR 2012 BY TYPE OF CSO

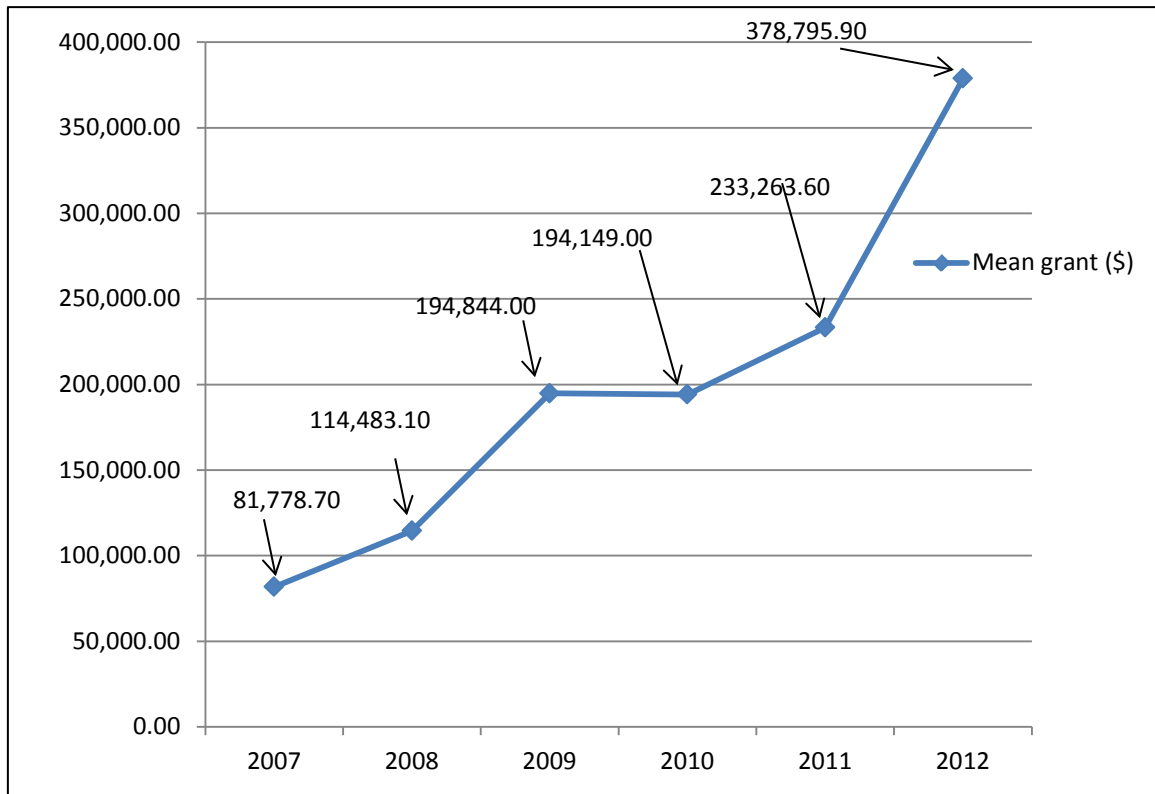
Type of CSOs					
Percentage of funds sourced from inside for 2012	NGOs	CBOs	MAAs	Network/ Coalitions	Total N
	(%)	(%)	(%)	(%)	
0-24 %	5 (27.8)	0 (0.0)	0 (0.0)	2 (25.0)	7
25-49 %	1 (5.6)	1 (50.0)	0 (0.0)	1 (12.5)	3
50-74 %	3 (16.6)	0 (0.0)	0 (0.0)	0 (0.0)	3
75-99 %	1 (5.6)	0 (0.0)	0 (0.0)	0 (0.0)	1
100 %	8 (44.4)	1 (50.0)	100.0	5 (62.5)	16
Total N	18 (100.0)	2 (100.0)	2 (100.0)	8 (100.0)	30

Type of CSOs					
Percentage of funds sourced from outside for 2012	NGOs	CBOs	MAAs	Network/ Coalitions	Total N
	(%)	(%)	(%)	(%)	
0-24 %	9 (50.0)	1 (50.0)	2 (100.0)	5 (62.5)	17
25-49 %	3 (16.6)	0 (0.0)	0 (0.0)	0 (0.0)	3
50-74 %	1 (5.6)	1 (50.0)	0 (0.0)	1 (12.5)	3
75-99 %	2 (11.1)	0 (0.0)	0 (0.0)	1 (12.5)	3
100 %	3 (16.6)	0 (0.0)	0 (0.0)	1 (12.5)	4
Total N	18 (100.0)	2 (100.0)	2 (100.0)	8 (100.0)	30

Overall, the conclusion that can be drawn from the foregoing analysis is although some of the CSOs are able to mobilise funds from both inside and outside the country, relatively few of them are able to equally mobilise funds from both sources.

We also examined the average volumes of actual grants mobilized by the study CSOs during the period (2007-2012) and this reveals as well an interesting trend that helps to understand further the organizational and financial sustainability of Ghanaian CSOs. The results are shown in Figure 9 below. As the graph shows, beginning from 2007, the mean grants to the CSOs increased sporadically from \$81,778.70 to a peak of \$378,795.00 in 2012.

Figure 8: MEAN GRANTS OF CSOS IN THE LAST SIX YEARS



However, further analysis of total grants accruing to CSOs in the years 2010, 2011 and 2012 using bands ranging from \$0-1,000 to \$5,000,001 and above shows clearly that many Ghanaian CSOs are operating with very small grants (Table 20). It can be observed from the table that in the three years between 2010 and 2012, over 50% of CSOs in our sample had annual grants of up to one hundred thousand US dollars (\$100,000). Close to 25% of this group had between nothing and ten thousand dollars (0-\$10,000). Only a minority had between \$100,001 and \$500,000, specifically, 30% in 2010, 16.7% in 2011 and 23.3% in 2012. Few CSOs had between \$500,001 and \$1 million, and fewer still over \$1 million annually.

Table 20: TOTAL ANNUAL GRANTS(\$) BETWEEN 2010 AND 2012

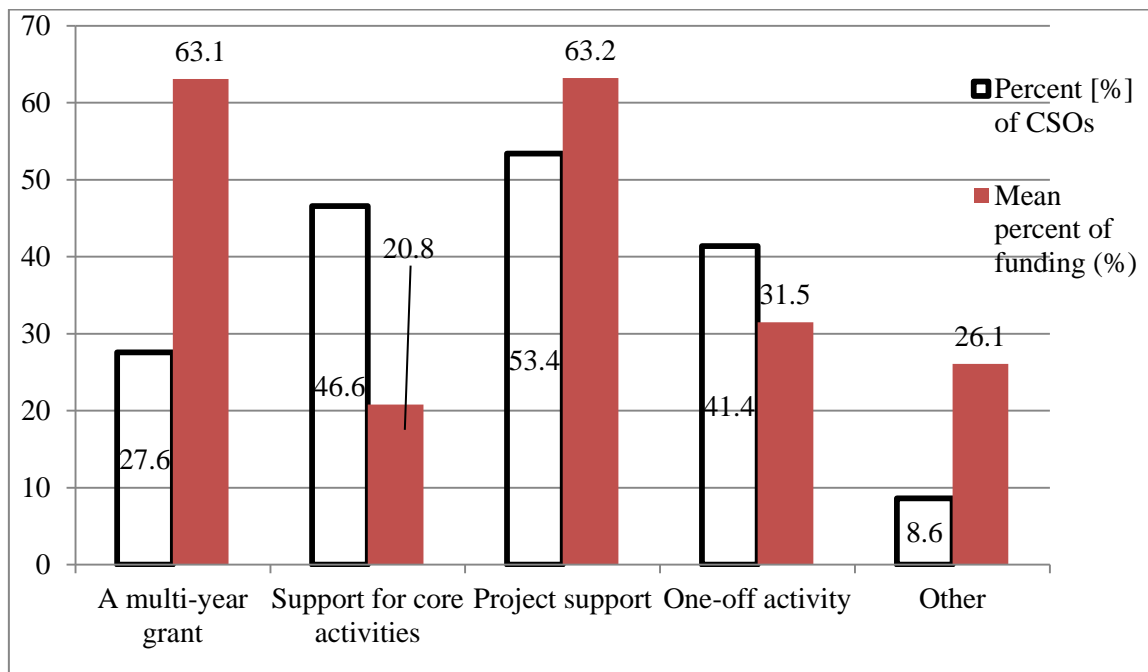
	Multiyear period		
	2010	2011	2012
Total Grant	(%)	(%)	(%)
0-1,000	1 (3.3)	1 (3.3)	-
1,001-10,000	9 (30.0)	7 (23.3)	7 (23.3)
10,001-50,000	4 (13.3)	5 (16.7)	8 (26.7)
50,001-100,000	4 (13.3)	7 (23.3)	4 (13.3)
100,001-500,000	9 (30.0)	5 (16.7)	7 (23.3)
500,001-1,000,000	1 (3.3)	4 (13.3)	2 (6.7)
1,000,001-3,000,000	1 (3.3)	1 (3.3)	1 (3.3)
3,000,001-5,000,000	1 (3.3)	-	-
5000001 and above	-	-	1 (3.3)
Total N	30 (100.0)	30 (100.0)	30 (100.0)

A further disaggregation showing grants received in 2012 by type of CSO shows that 50% of NGOs received grants of between 0 and \$100,000, 27% between 100,001 and \$1,000,000 and 11% above \$1,000,000. With regard to CBOs, 100% of them fell within the grant band of \$10,001-\$50,000 while 100% of membership associations were within the ranges of \$0-\$50,000. Finally, 100% of the networks/coalitions fell within the grant brackets of \$0-\$500,000 (Table 21). We can conclude that these budgets are so small that they must affect the reach of many organisations and their ability to undertake the major projects needed to achieve policy changes at the national and local levels.

Table 21: TOTAL GRANT(\$) AND TYPE OF CSO

Total Grant (\$) for 2012	Type of CSOs				Total N
	NGOs	CBOs	MAAs	Network/ Coalitions	
	%	%	%	%	
0-10000	11.1	0.0	50.0	50.0	7
10001-50000	22.2	100.0	50.0	12.5	8
50001-100000	16.7	0.0	0.0	12.5	4
100001-500000	27.7	0.0	0.0	25.0	7
500001-1000000	11.1	0.0	0.0	0.0	2
1000001-3000000	5.6	0.0	0.0	0.0	1
5000001 and above	5.6	0.0	0.0	0.0	1
Total %	100.0	100.0	100.0	100.0	
Total N	18	2	2	8	30

Figure 9: AVERAGE PERCENT OF CURRENT FUNDING REPRESENTING DIFFERENT CATEGORIES OF FUNDING

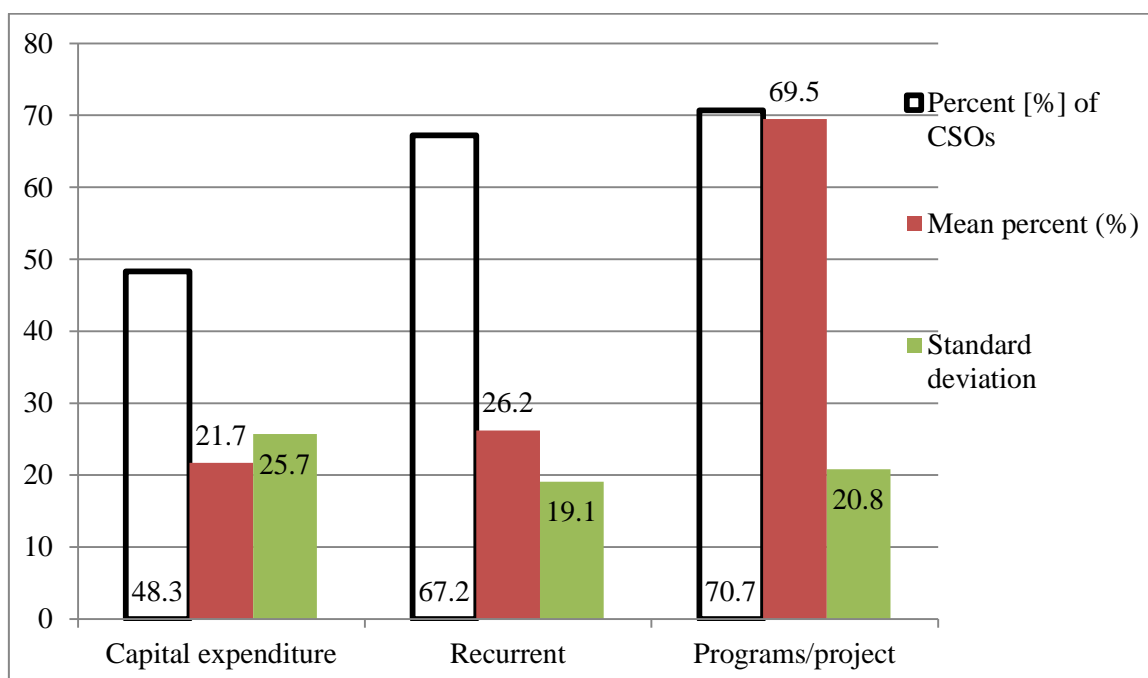


With regard to the third aspect of financial sustainability, the composition of the grant portfolio in terms of multi-year, core funding, project support and funds for one-off activities, the study found that the highest mean percentage of funding was for project grants and also for multi-year grants (with virtually the same mean percentages of 63.2% and 63.1% respectively). 31.5% of grants were for one-off activities. 20.8% of grants were core grants. The higher salience of project support reflects the current donor enthusiasm for project-based funding that puts the focus on the activities of CSOs rather than on sustaining the organisations themselves. That CSOs have such a high proportion of multi-year grants is positive from the point of view of planning and sustainability. However, the significant showing of one off activity funding may be of concern.

5.2 Uses of CSO Funds

Another aspect of financial sustainability explored concerned the expenditure patterns of CSOs. Figure 11 presents a consolidated expenditure structure for the CSOs in the study. It refers to types and average proportions of their expenditures. Data in the graph shows that on the average 69.5% of all expenditures related to CSO implementations of projects/programmes, followed by 26.5 which covered recurrent expenditure (management overheads) and 21.7% which covered capital expenditure.

Figure 10: MEAN PERCENTAGE OF CSO'S TOTAL BUDGET THAT COVERED DIFFERENT CATEGORIES OF EXPENDITURE



The findings here again depict a similar pattern to that in the previous section where project/programme expenditures were much higher than management overheads (recurrent expenditures) and capital expenditures.

5.3 CSO Perceptions about their Financial Situation

Table 22: CSO PERCEPTIONS OF FINANCIAL SITUATION

Type of CSO	Improved %	Deteriorated %	Remained the same %	Total %	Total N
NGO	45.8	41.7	12.5	100.0	24
Community based Organization	33.3	50.0	16.7	100.0	6
Membership Association	75.0	12.5	12.5	100.0	8
Professional Association	-	33.3	66.7	100.0	3
Network/Coalition	50.0	16.7	33.3	100.0	12
Total N	25 (47.2%)	17 (32%)	11 (20.8%)		53 (100%)

Source: Survey of CSOs, 2013

We explored the perceptions of CSOs about their financial situation in the last five years as a fifth dimension of financial sustainability. 47.2% of CSOs in the study considered that their financial situation had improved over the last five years, 32% thought their situation had deteriorated while 20.8% thought their situation had remained the same. A breakdown of the figures showed that while 75% of membership organisations thought their situation had improved, the figure for networks was 50%, that for NGOs was 45.8% and that for community based organisations was 33.3%. No professional association thought their financial situation had improved. Instead, 66.7% of professional associations interviewed thought that their situation remained the same, compared with 33.3% of networks, 16.7% of community based organisations, 12.5% of membership associations and 12.5% of NGOs. 50% of CBOs, 41.7% of NGOs and 33.3% of professional associations considered their financial situation to have worsened over the last five years (Table 22).

Finally, we examined how the CSOs viewed their financial sustainability using a seven point scale that ranged from those who perceived themselves as ‘permanently sustainable’ to those who viewed themselves as ‘on the verge of winding up’ as the lowest point on the scale. From the chart it can be seen that only 6.9% of the CSOs rated their organizations as ‘permanently sustainable’ whilst 24.1% and 24.1% viewed their organizations as having ‘prospects for long term’ and ‘medium term’ sustainability respectively. Following this were those who rated themselves as having ‘prospects for short term sustainability (13.8%) and those ‘living from hand to mouth (12.1%). Finally, quite substantial percentage of them (17.2%) indicated that they were presently not funded. 17.2%) indicated that they were presently not funded.

Figure 11: CHARACTERIZATION OF CSOS IN TERMS OF FINANCIAL SUSTAINABILITY

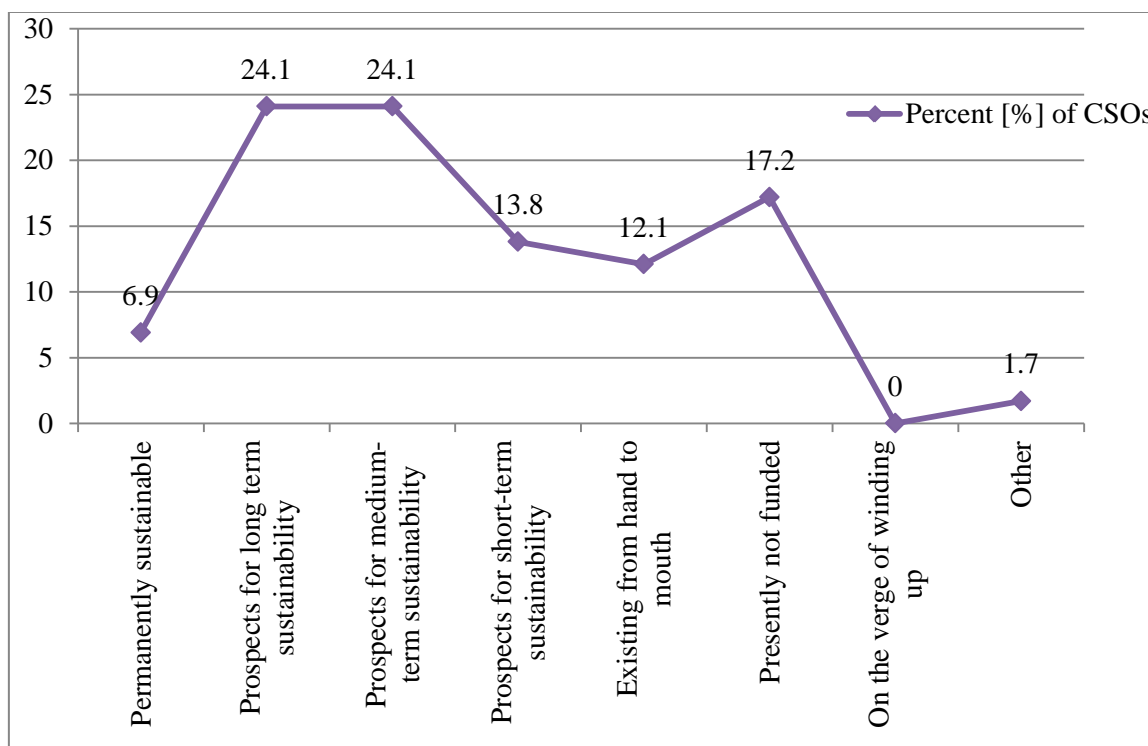


Table 23:TYPE OF CSO AND FINANCIAL SUSTAINABILITY

Financial sustainability	Type of CSO						
	NGOs	Community Based Organizations	Membership Associations	Professional Associations	Network/ coalitions	Total	Total
	%	%	%	%	%	%	N
Permanently sustainable	50.0	-	-	-	50.0	100.0	4
Prospects for long term	35.7	7.1	7.1	14.3	35.7	100.0	14
Prospects for medium term	57.2	7.1	28.6	-	7.1	100.0	14
Prospects for short term	37.5	12.5	12.5	25.0	12.5	100.0	8
Existing from hand to mouth	71.4	-	14.3	-	14.3	100.0	7
Presently not funded	30.0	30.0	10.0	-	30.0	100.0	10
Other	-	-	100.0	-	-	100.0	1
Total N	26	6	9	4	13		58

Source: Survey of CSOs, 2013

The CSOs who viewed their financial situation as ‘permanently sustainable’ when contrasted with the total of those who indicated that they were ‘not presently funded’, ‘existing from hand to mouth’ and with ‘prospects for short term sustainability’ shows that there is a strong perception of financial precariousness among CSOs. However, those who have rated their financial situation as having prospects for long term and medium term sustainability when combined with the permanently sustainable could be an indication that than one half of CSOs in the study think they are financially sustainable. Cross tabulations of perceptions of organisations’ sustainability by the type of CSO yielded additional information on CSO perceptions of their financial situation.

As Table 23 shows, of those organisations that considered themselves permanently sustainable, 50% were NGOs, and another 50% were networks and coalitions. Those who thought they had prospects for long term sustainability were spread among all the CSO types, though in different percentages- NGOs (35.7%), Networks and Coalitions (35.7%), Professional Associations(14.3%), CBOs (7.1%) and membership associations (7.1%). Another striking feature was that NGOs were well represented at all levels of financial

sustainability, and a striking 71% of those organisations that reported that they living from hand to mouth were NGOs. Also, 30% of those not presently funded were NGOs. This reflects the wide variations among organisations using the NGO form, and is a reminder that care needs to be taking in developing strategies for NGO sustainability to ensure that they benefit both large and small organisations.

In sum, using the study's five criteria of financial sustainability- diversity and security of funding, quantum, composition of the funding portfolio, the structure of expenditures and the perceptions of financial health, it becomes clear that few of the CSOs in this study could be said to be financially sustainable, and this has implications not just for them, but for the sector as a whole.

6. TACKLING FINANCIAL AND ORGANISATIONAL SUSTAINABILITY- STRATEGIES AND THEIR ORGANISATIONAL IMPLICATIONS

6.1 CSO Financial and Organisational Strategies

This section of the report examines CSO strategies for achieving financial and organisational sustainability and explores the attitudes and positions of both traditional and potential funders of Civil Society - government, the private sector and traditional donors to the sustainability of the sector and its organisations. Our study found some convergences among the different entities we interviewed - private sector organisations, state agencies and corporations and donors- about understandings of CSO sustainability. However, there were also different emphases. While there was agreement among them that CSO sustainability lay in the efficacy of their internal structures and work, their relevance and responsiveness to their constituencies, donors were guided by the Paris Declaration Principles on aid effectiveness, stressing the aspects of harmonisation, efficiency, results and accountability to their tax payers above all else, while the private sector foundations were more concerned about political neutrality and brand recognition and affinity, in addition to helping needy communities.

We asked CSOs whether they had put measures in place to address threats to their traditional funding sources and their sustainability as organisations. An overwhelming majority (78.4%) said they had measures in place. However, there was not much difference among the various types of CSOs, although 25% of membership associations, 18.2% of networks and coalitions and 16.7% each of NGOs and CBOs had no measures in place for addressing funding challenges. The only striking difference was that none of the two professional associations who answered this question had any measures in place (Table 24 below).

Table 24 :STRATEGIES FOR ACHIEVING FINANCIAL SUSTAINABILITY

Type of CSO	Do you have measures to address the threat to sources of funding?			Total N
	No %	Yes %	Total %	
NGO	16.7	83.3	100.0	24
Community based Organization	16.7	83.3	100.0	6
Membership Association	25.0	75.0	100.0	8
Professional Association	100.0	-	100.0	2
Network/Coalition	18.2	81.8	100.0	11
Total N	11	40		51

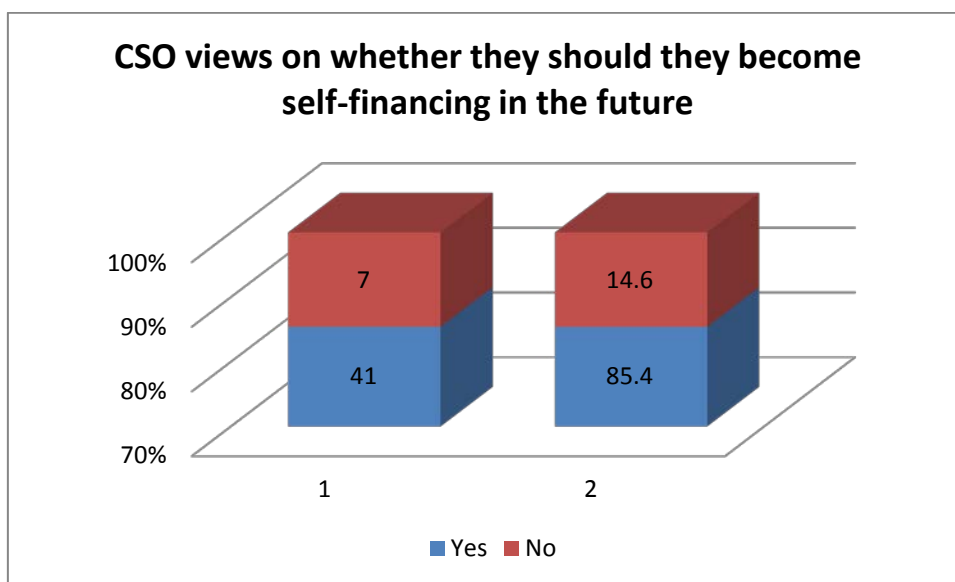
Source: Survey of CSOs, 2013

Measures identified by the respondents ranged from the short-term to the strategic; from the general to the specific. They included plans to become an intermediary organisation i.e. a conduit for capacity building and funds to smaller organisations, putting in place additional strategies or sources of funding e.g. endowment fund, investments, consultancies and income generation activities, diversification of funding sources, building fundraising capacity, strengthening membership numbers and or increasing dues. These measures were similar to those identified as having the potential to ensure long term financial sustainability. In addition to the above, the focus group discussions identified financial support by government and joint activities with other CSOs to enjoy economies of scale as contributors to CSO financial sustainability (Survey of CSOs, 2013). What is interesting about these plans is how few of them involved a collective or collaborative approach involving other CSOs. While this is not helpful, given that this is a sector wide issue, it is not surprising with the funding regime increasingly fostering a culture of competition through competitive calls and results based management requirements. Three main types of measures came to light- self-financing and income generation projects; diversification of funding beyond donors and organizational changes. These we now consider in turn.

Self- financing

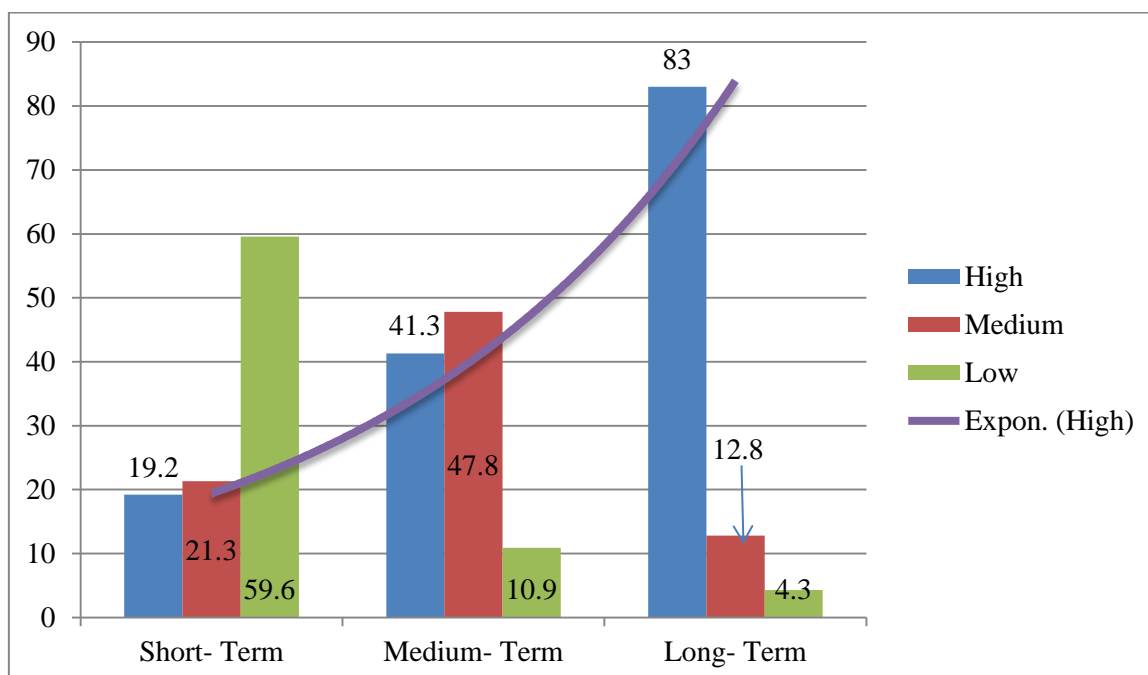
Significantly, the majority of the CSOs interviewed (85.4%) thought they should become self-financing, although only 19.2% thought it was feasible in the short term (in three years) (See figures 13 and 14). The majority of respondents (83%) did think that it was feasible in the long term (over seven years) (Figure 14).

Figure 12: DO YOU THINK THAT IN THE FUTURE YOUR ORGANIZATION SHOULD BECOME A SELF-FINANCING CSO?



Source: Survey of CSOs, 2013

Figure 13: FEASIBILITY OF SELF-FINANCING FOR CSOS IN THE NEAR FUTURE



Source: Survey of CSOs, 2013

The reasons offered for supporting self-financing included the fact that it would address the issue of sustainability and help the organization address one of its most serious challenges. Others were autonomy, space and freedom to expand and improve scope of work, and focus on the needs of target groups. Also mentioned as benefits of self-financing were the reduction in competition among CSOs for limited donor sources and the freedom to provide support and produce useful products for particular constituencies such as people living with disability. Others favoured self-financing because they were already engaged in it or thought it could bring continuity to their work, allow them to focus on their mission, follow-up their issues when necessary, respond promptly and act when the need arises. The fact that many CSOs were trying to become self-financing was also considered a factor by some respondents (CSO Survey, 2013).

Those against the self-financing of CSOs were concerned that because of their small size and non-profit character, their potential for income generation was not good. They also cited the danger of CSOs spending hours doing what were not their core business and the lack of credible income generation avenues that would provide sustainability. Only 15% of the organisations interviewed were self-financing, and in the focus group discussions, respondents talked more in terms of partial than full self-financing. In spite of its advantages, self-financing organisations mentioned that they suffered from disadvantages such as inadequate funds, in one case, difficulties with getting members of the organisations to pay dues and repay loans, projects that could not be undertaken, the slow returns on activities and the slowing down of activities.

Some of the proposed income generation projects were micro credit, treasury bills; social housing projects; training consultancies, farming, soap making and food processing. Here,

there were divergent positions about what organisations could do. Some CSOs, donors and government agencies thought income generation projects were a threat to the non-profit character, the focus and ethics of CSOs. Others felt that CSOs should focus on selling their skills through training and capacity building activities or on activities which do not disrupt their work; while the rest had no restrictions regarding what kind of income generation activities CSOs could embark on. Interestingly, none of the donors interviewed (including STAR-Ghana staff) thought self-financing was a good idea. Instead, they argued that organisations can only be sustainable if they become more relevant to their constituencies, who would then fund them. Private sector and state enterprises respondents on the other hand were more positive about CSOs generating the funds to support their work. In the light of the findings, self-financing, partial or full, needs more careful consideration before it can become a dominant approach to financial sustainability among CSOs.

Diversifying Sources of Funding

The study explored prospects of diversifying funding sources beyond the traditional donors with a series of questions exploring perceptions about possibilities, advantages and disadvantages of sources such as the private sector, state agencies and corporations, philanthropists, membership dues and individuals. Respondents felt that the advantages these sources had over donor funding included- their greater awareness of contextual factors and therefore a greater likelihood that they would take these into account in making decisions. Others were the fact that the support could go beyond funding. In the case of government, support could be linked with legal and policy reform; and support with marketing of goods. Local sources were considered more likely to share a common purpose with CSOs, more reliable, predictable and with a simpler fund management regime. Local sources could also provide increased space to account primarily to the people, commit for the long term, and eliminate debilitating competition over donor funds as well as set a good example to donors. On the other hand, local sources, particularly private sector sources could be unpredictable given that the amounts on offer would depend on annual profits which could change year after year (Survey of CSOs, 2013).

Only 32% thought the government was a high potential alternative. Those who thought the private sector, philanthropists, and membership dues were high potential alternatives were also in the region of 32%. Interestingly, 41.3% felt committed individuals were high potential (Table 25 below).

BOX 5: PERCEIVED ADVANTAGES OF LOCAL SOURCES OF FUNDING

- Local donors more aware of contextual factors so more likely to take these into account in making decisions.
- Support can go beyond funding. In the case of government, support could be linked with legal and policy reform; support with marketing of goods.
- Often can share a common purpose with local sources.
- More reliable, predictable and with a simpler proposals regime.
- Increased space to account primarily to the people.
- Can commit for the long term.
- Eliminates debilitating competition over donor funds.
- Sets a good example to donors.

Source: Survey of CSOs, 2013

Table 25: THE POTENTIAL OF ALTERNATIVE SOURCES TO FILL VACUUM LEFT BY DONORS

	High	Medium	Low	Total
Entity				
Government	16 (32%)	8 (16%)	26 (52%)	50 (100%)
Private Sector	17 (33.3%)	17(33.3%)	17(33.3%)	51 (100%)
Philanthropists	16 (32%)	10 (20%)	24 (48%)	50 (100%)
Membership dues	12 (32.3%)	5 (13.9%)	19 (52.8)	36 (100%)
Committed individuals	19 (41.3%)	9 (19.6)	18 (39.1%)	46 (100%)

Source: Survey of CSOs, 2013

Table 26: WHICH SOURCES WILL YOU TAKE FUNDING FROM?

Entity	Yes	No	Total
Government	42 (87.5%)	6 (12.5%)	48 (100%)
Private Sector	44 (89.8%)	5 (10.2)	49 (100%)
Philanthropists	45 (95.7%)	2 (4.3%)	47 (100%)
Membership dues	32 (94.1)	2 (5.9%)	34 (100%)
Committed individuals	43 (93.5%)	3 (6.5%)	46 (100%)

Source: Survey of CSOs, 2013

The majority of respondents would take money from government, the private sector, philanthropists, membership and committed individuals. The highest number of “no” responses for an entity was the 12.5% who would not take government funding and 10% who would not take private sector money (Table 26).

From the findings, it is fair to say that there is high interest in diversifying sources of funding among CSOs. However, for this to be actualised, some intermediate steps are needed to bring these potential alternative sources into the funding fold. This is an issue we discuss later in the report.

Organisational Reforms

In earlier sections of this report, we argued that the sustainability of civil society as a whole and of the organisations within it were not the same. As we pointed out, while the sector and its organisations are not co-terminus, the collapse of organisations within the sector could in the long term affect its character and health. Certainly, the findings from focus group discussions that several CSOs have collapsed in the last few years as a result of the drying up of their main financial sources and motivation for survival, their inability to adapt their work to the new funding demands and their inability to switch from service delivery to advocacy should not be dismissed as a normal problem of attrition or of the ebbs and flows of the sector. This is because of the growing domination of the CSO sector by non-membership NGOs who have been under pressure for the last two decades to become professionalized. This has contributed to the establishment of expensive aid dependent organizational structures and processes, several of which are now in crisis.

Some of the measures offered by the CSOs to address their financial challenges amounted to organisational reforms. There were three kinds of action. One was concerned with short term measures such as cost cutting and slimming down of organizational activities. This implied changes in the size of staffing, a reduction in the numbers of projects, activities, more collaborative activities, streamlined administrative and project management systems and hiring of short term expertise to assist the organisation. A second category of reforms was concerned with long term planning- drawing up a sustainability strategy, succession planning and the reorganization of the organisation’s work and internal processes; and

capacity building to make it more attractive to donors, but also to keep it safe in the long term. The third set of changes concerned fundamental changes in the organisation's form-acquiring members and champions who can provide technical support on a pro-bono basis, offer financial support and participate in the life of the organisation (FGDs- BA, Western Region and Volta Region).

BOX 6: ORGANISATIONAL MEASURES IN PLACE TO RESPOND TO THREAT

- Becoming an intermediary organization to fund, monitor, and undertake quality assurance.
- Becoming an Illustration hub for small groups.
- Trains members on proposal development and financial reporting to meet donor standards.
- Sensitize members on new trends of donor requirements.
- We are strengthening membership drive to increase dues.
- Being accountable to own constituencies
- Planning to lay off very competent staff.
- Remain relevant to our mission and vision make our organisation attractive
- Being effective in spending for e.g. non- committed members are not supported financially when they face any problem
- Increase our monthly dues (Source: Survey of CSOs, 2013)

The first two sets of organizational strategies do not require fundamental reforms and are incremental in their benefits to financial and organizational sustainability. The third category is more far reaching in its import for individual CSOs and the sector as a whole. In posing this as an approach, some CSOs are recognising that the present uncertainties in the funding situation are not temporary and can have far reaching consequences for the sector. This approach implies a rethinking of the currently dominant approach to organizing, i.e. the establishment of aid dependent bureaucracies. It entails in some cases, a return to the politics of mobilization and all it requires- a deeper embeddedness within civil society, the adoption of accountability mechanisms which strengthen organisations' legitimacy within their communities and among their constituencies and strategies which enable them to secure long term financial support from their constituencies, well-meaning individuals and philanthropists within civil society, as well as private sector and government. This is not simply an issue of financing. It also speaks to questions about the character, health and politics of CSOs and of the sector as a whole now and in the future. The issue of organisational restructuring is even more urgent if CSOs are to make real impact on the social and economic issues facing Ghana, a lower middle income country with the political economy of an underdeveloped country, with a weak democratic culture, a weak citizenship culture and a significant proportion of its population living under the poverty line and experiencing massive social development deficits.

The issue of organizational form is particularly critical in thinking about the future of Civil Society. In spite of being a numerical minority, registered NGOs and their coalitions, membership organisations (professional/ constituency based) and community based

organisations dominate the sector and its activities. Apart from the membership organisations, these organisations are increasingly bureaucratized in keeping with donor demands for professionalism. They make up for their minority status with the range of power structures they are connected with, their catalytic role and in the issues they tackle. As well, they have used their membership of and hosting of networks and coalitions to widen their reach beyond the NGO form. As one participant in the Western Region focus group discussion said of their role, “a spear needs a spearhead” (WRFGD, July 2013).

The aid dependence of these important segments of Civil Society has opened the entire sector up to donor re-engineering through aid. Activities such as deciding on funding priorities, what kinds of organisations to encourage and the establishment of new funding windows have all played a role. For example, the growth in scope of activities and presence of private sector advocacy organisations is a good example of what donor decisions make possible. If the donors maintain this active interest in the private sector, it is likely to influence the future shape of the CS landscape, unless other funders enter the space. There is history which supports this point. As already indicated, the Global Fund to Fight AIDS, Tuberculosis and Malaria gave birth to many CSOs in the period around its establishment in 2002, a large number of which are reported to have either become defunct or struggling to survive the drying up of funds.

While the current crisis of CSOs is financial, it is important to highlight organisational issues which are less about finances, and more about form, internal structures, location and political practice. While civil society is credited with pushing forward democratic agendas, it has proved less effective with regard some of the burning issues within the country which require civil society attention. CSOs lack the agility and robustness to respond to crises of accountability and its structural causes for fear of being labelled partisan and also owing to their general lack of membership and supporters on the ground. The technocratic turn of policy making and advocacy has resulted in a fundamental shift in political practice and the honing of lobbying skills to the detriment of mass mobilisational skills. Secondly, professionalization of CSO staff has made them quite bureaucratic, often without the skills and inclination to act politically when the need arises.

Several respondents, particularly within the donor and government sectors drew attention to the range of contentious and sensitive issues on which CSOs have not been heard. As some respondents have observed, this vacuum has been filled to great effect by media organisations and individuals using social media. While media are also civil society organisations with a clear mandate to act as watchdogs, the role of CSOs in addressing contentious issues cannot be assumed solely by the mass media and individuals no matter how effective they are. Networks and coalitions which have the potential to enable CSOs to transcend their limitations are treated with ambivalence by their members and therefore have largely failed to realise their long term potential.

From our analysis, we established that the sector suffers from the dominance of formal NGOs and the decline of community based informal organisations. As well, the mass mobilisational politics within civil society has been replaced by policy advocacy directed at the government. It is these weaknesses that have set the stage for the internal challenges-finances; technical expertise; institutional weaknesses and political legitimacy. While CSO relations with the government are not as fractious as they were in the 1980s and 90s, they are still characterised by mutual suspicion and sniping, a perfunctory and superficial

recognition of the value of CSOs and civil society, and CSO involvement in policy processes, without the substance of real engagement and results.

Addressing the sector's sustainability and that of its organisations requires fundamental shifts in attitudes, conceptions of work and practices. However, this should start from CSOs themselves. Building healthy organisations involves strengthening relationships with constituencies; diversifying funding sources and reducing aid dependence and becoming more responsive to some of the burning issues of the political economy of Ghana in ways which promote recognition among all sectors of the society that CSOs and their sector are pivotal in the development of the country, and that without them, our democracy, society and economy would be much poorer.

6.2 The Role of Donors in Achieving CSO Financial Sustainability

As long as civil society remains a not for profit sector, donor dependence is likely to be a characteristic of some of its organisations. Financial sustainability for those organisations is less about becoming fully self-financing and more about diversifying financial sources in order to have a healthy mix of long and short term funding; foreign and local donors, and internally generated resources. It is also about a restructured organisation with practices which reduce the cost of operations and promote the long term commitment of the different funding sources. In such a situation, the role of foreign donors, local potential donors and government is to support the civil society organisations to achieve this balance. It involves a period of transition in which the weight of funding shifts from foreign to local sources. In the interim, donors need to continue to support CSOs and apply the Aid Effectiveness principles in a holistic manner. In relation to basket funds, the funds need the stability and long term commitment of donors to support a reorganised sector. The current situation where Funds are not able to commit to projects which take longer than two years to implement because of their own uncertainties about receiving their allocations from year to year does not encourage long range planning, deep reforms and projects which are ambitious in their transformational potential, in other words, the kind of projects and approaches needed for the sustainability of CSOs and their sector.

Private Sector

Interviews with private sector organisations suggest that much work will be needed to convince the sector to consider funding CSOs, either through pooled funding arrangements or directly. There are a number of reasons for it. Private sector philanthropy in the form of corporate social responsibility programmes have typically been brand promotion exercises and have tended to support tangible projects such as classrooms, hospitals, soup kitchens and scholarships in very specific areas. For example, MTN focuses on education, health and economic empowerment, areas broadly similar to other private sector organisations in sub-sectors such as banking, mining, oil and gas, manufacturing, commerce and services. While some take regional equity into account, particularly those who operate countrywide, others are more narrowly focused in the communities contiguous to their areas of operation. Secondly, their partners have been largely government agencies working in their priority sectors and communities. Much of their money is directly applied to projects

which they manage themselves. Only rarely do they make one off donations to CSOs and government agencies soliciting funds for particular activities.

In terms of their areas of focus and their criteria- that a request be from a priority area, region or community, that it shows clear social impact, have beneficiary buy-in, be in line with MDG goals, be sustainable and be proposed by an organisation with a strong track record- these are no different from traditional donor requirements for supporting projects of CSOs. However, the advocacy turn in the work of CSOs raises questions about results for the private sector. Secondly, private sector organisations are keen to avoid what they see as politics and are therefore wary of policy advocacy and its implications for relations with government. As well, they have tended to avoid funding research because it is very expensive and does not post tangible results. This would suggest that the private sector foundations are more in tune with community based organisations and NGOs working within small communities than they are with policy advocacy organisations. As things stand now, and given the private foundations' interest in the sustainability of their projects, they might be more easily persuaded to finance CBOs and government sector agencies than advocacy CSOs, so long as they have the confidence that the money will be properly managed and utilised.

The private sector foundations were not hostile to contributing to development work through a pooled funding system which supports the work of the CSO sector. Their collective establishment of business chambers such as that of Commerce and Mines is evidence of collaborative activities within the private sector. As well, companies have sometimes collaborated on projects. For example, the telecom companies collectively funded a project to promote rural telephony. However, several expressed some discomfort about their ability to monitor the funds. As one respondent said, "*once it is a pool, it just gives the impression that you have put your money somewhere there and you may not get the opportunity to see what is being done with your money*" (Official of a private sector CSR Foundation, July 2013). This, and the tightly controlled management structures of their CSR companies and projects, their preference for visible high impact infrastructural development and the fact that these serve multiple purposes, including promoting brand recognition raises questions about what collective funding structures they would commit to, not to talk about the percentage of their corporate social responsibility budget they might commit to such an enterprise. Also, the CSR foundations have a much stronger record of cooperating with state institutions and international NGOs than with local civil society groups. One requirement for partnerships was that the partner had to have some resources to apply to a common project. This was cited as an attraction with international NGOs.

Some reorientation by the private sector would be helpful in this regard, and it would be facilitated by further more formal exploration and negotiations with the private sector. In any case, there are on-going discussions within some of the private sector CSR programmes about what the focus of interventions should be e.g. whether to focus on felt needs or prioritise communication; whether to have one or several priority areas; whether areas should be related directly to areas of operation or should more broadly focus on the needs of beneficiary communities (Interview with private sector CSR Foundation, July 2013). This provides space to inject the question of supporting CSOs into the discussions. Perhaps several pooled funding systems under the management of the already existing business Chambers would be more acceptable to them than the establishment of a new structure under government or civil society control. Such a structure could then be

managed and governed with representation from all the key stakeholders. As at now, the lack of a national policy on corporate social responsibility makes the field wide open and results in very particular approaches to supporting community and national development. Therefore an urgent task would be the drawing up of such a policy with the active involvements of all stakeholders including civil society. Within such a framework setting exercise, private sector support for the CSO sector and its structure and operational modalities can be worked out.

Government

The government's view on funding CSOs was elicited from some state enterprises and from the Department of Social Welfare which registers CSOs. They were in agreement that CSOs needed to diversify their sources beyond donors and that government and the private sector should support the CS sector. Diversification, in their view, has several benefits, including a shift from the culture of accountability focused mainly on donors to one which includes CSO constituencies and government. Secondly such support would enable government not only to empower CSOs, but also create employment avenues. On the other hand, respondents raised concerns about how this might change the character of the sector and its relationship with the state. Furthermore, the failure to effectively monitor the use of such funds could lead to misuse and waste.

The Social Welfare department representative argued that the development of the CSO sector, including its financial sustainability was hampered by the lack of explicit policies and regulations governing civil society. Such policies and regulations would spell out the assistance and benefits CSOs might claim from government and the modalities for doing so. However, the history of past unsuccessful efforts by government to regulate Civil Society and its organisations in Ghana (discussed in section 3 of this report) is likely to cast a long shadow over any future efforts to institute regulations.

The Corporate Social Responsibility Programmes of the state owned commercial enterprises such as COCOBOD and Ghana Commercial Bank were no different from the private sector in priority areas, scope and operations. Like the private sector, their funding for CSOs consisted largely of one off support, with multi-year programmes offered in only a few cases. They had no objection to supporting CSO activities in a broader range of functional areas than the private sector- service delivery, research, capacity building, public mobilisation, network and coalition building and policy advocacy- the programmes had to be beneficial to their particular industry, or the beneficiaries had to be their customers as the case may be. Thus COCOBOD for example was only supporting activities which would benefit the cocoa industry while the Ghana Commercial Bank was supporting communities in which they had operations. As well, they preferred partnerships in which the partners also contributed some financial resources to a joint project. At least one of them was also reluctant to provide funding for advocacy for fear that they would be seen as supporting partisan causes. As a result, their CSO partners had high visibility and were considered politically neutral.

In the light of the above, we can conclude that the diversification of funding sources will work only if certain challenges are addressed. These include the pervasive view that CSOs are not accountable, the lack of basic and deep knowledge about the CS sector (a respondent thought the acronym CSO stood for the Civil Service) and the reluctance to

deal with CSOs for fear of political backlash from government within the private sector and among government agencies. Also important are the current approaches to CSR in both private and state sector organisations. Both CSOs and donors need to approach the Paris Declaration less selectively. AID effectiveness should not only mean the efficient delivery of projects, but lead to larger goals of enlarging democracy and development. The achievement of these broader goals requires a vibrant and healthy civil society sector which is able to strengthen citizenship and hold policy makers to account.

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7. STAR GHANA- STRATEGIES AND CHALLENGES IN A CHANGING ENVIRONMENT

Pooled funds are an increasingly important source of funding for CSOs, in some cases replacing the grant making of individual donors. As basket funds are likely to be the dominant disbursement approach of donor funding in the future, their approaches and strategies form a crucial aspect of the discussion of CSO financial sustainability. We focus mainly on STAR-Ghana because it is the most important basket fund for CSOs, and also in keeping with the terms of reference of the study. We also discuss another fund, BUSAC, briefly, in relation to STAR-Ghana's approaches and challenges. CSOs, donors, STAR-Ghana itself and private sector foundations including STAR-Ghana's counterpart private sector pooled fund were interviewed to discuss STAR-Ghana's approaches.

STAR- Ghana's location at the junction of several constituencies- CS, state, private sector and donors- gives it immense opportunities and influence. However, the location carries with it risks. Its opportunities include its capacity to be more than a funding agency, with convening power and the resources to influence the shape and character of civil society in Ghana, while aiding civil society efforts to influence policy making institutions. On the other hand, STAR-Ghana is seen as an instrument of the donor community with a fixed life span, and this limits its responsiveness and along with that its credibility as an independent arbiter. That STAR- Ghana controls access to resources also complicates its relations with CSOs.

7.1 Profile and Strategies

STAR-Ghana, successor to Ghana's first generation pooled funds such as G-RAP and RAVI, which began operations in 2011, has already become the most notable local source of funding for CSOs in the country. It is a multi-donor, pooled funding mechanism established with the aim of increasing the influence of civil society organisations and Parliament in the governance of public goods and in service delivery. With a five year life span (November 2010 to April 2015) and a budget in the region of US\$ 35million, STAR-Ghana is in the middle of its life cycle. It has so far disbursed approximately \$19,186,682 on the basis of several thematic calls and a strategic call window. The majority of CSOs in our study had heard of STAR-Ghana (Table 27 below). However, only the minority who have benefited from its funding were completely clear about STAR-Ghana's operations. Many respondents considered the fund a positive development in the funding arrangements for CSOs, and 60% of those who knew about STAR-Ghana thought it was a good intermediary between donors and CSOs (Table 28 below).

Table 27:HAVE YOU EVER HEARD OF STAR-GHANA?

	Frequency	Percent
Yes	46	85.2
No	8	14.8
Total	54	100.0

Source: Survey of CSOs, 2013

Table 28:IS STAR-GHANA AN EFFECTIVE INTERMEDIARY BETWEEN CSOS AND DONORS

	Freq.	Percent
Yes	21	60.0
No	12	34.3
Do not know	2	5.7
Total	35	100.0

Source: Survey of CSOs, 2013

The reasons offered for this positive view of STAR-Ghana include its engaged approach throughout the funding cycle, its high profile, some of its more prestigious projects and involvements, its aims and objectives and the perceived effects of the work its funds had been used for (See A11, Appendix 2 for a list of the reasons given). While not many of these could be regarded as effectiveness strictly speaking, they convey a positive attitude to STAR-Ghana, which is valuable for its convening and facilitation role.

STAR-Ghana has adopted various strategies to anchor its work. In the first place, it has operated with a very broad definition of CSOs, significantly, including professional associations, private sector associations and the media in its work. In its relationship with the media, STAR-Ghana emphasises its dual role-as part of civil society and as chronicler and facilitator of civil society's work. In addition, STAR Ghana supports parliament, both in its own right, but also by encouraging relationships between parliament and civil society. The organisations that have not fared well under STAR-Ghana are the small NGOs, CBOs and service delivery organisations. This is less a failing of STAR-Ghana

than a gap in the AID environment which has implications for the future shape of the CS landscape. As

STAR-Ghana officials pointed out in our discussions, the idea is not that CBOs be replaced by NGOs, as they both have a function in civil society. However, it is the case that donor funding decisions over time have played a role in encouraging CBOs to adopt more formal bureaucratic arrangements which make them look more and more like NGOs.

STAR-Ghana explicitly focuses its energies on developing the spaces within which organisations function and on facilitating cooperation and dialogue within the various spaces in Civil Society. Its efforts to get CSOs to cooperate, which send a message about the importance of collaboration and networking, have coincided with a proliferation of geographical and thematic coalitions and networks. While many of these have difficulties keeping their membership interested and engaged, they constitute a new and important trend in the Civil Society landscape.

7.2 Analysing STAR-Ghana's Strategies and Programmes

Various questions have arisen about STAR Ghana's work and approaches. Four broad categories of issues were identified by the researchers as relevant to this study and were therefore explored in some detail. They are as follows:

- STAR-Ghana was considered too centralised and Accra based in its work by many of the CSOs interviewed in the other four Regions;
- STAR-Ghana's thematic approach and the staggered calls were considered by some as exclusionary, and others as encouraging CSOs to lose their focus and take up all the issues STAR-Ghana is funding.
- There was a perception that STAR-Ghana was biased in favour of national as opposed to local CSOs
- STAR-Ghana was considered not to be sufficiently committed to CSO sustainability (See A12, Appendix 2 for a list of issues emanating from the survey of CSOs).

STAR-Ghana was often compared unfavourably with an older now defunct pooled fund, GRAP, on two main counts. One was that GRAP provided core funding for CSO work. As well, some recalled the GRAP period as having been one of robust engagement between CSOs and a pooled funding arrangement around modalities and terms and conditions. Interestingly, some of the first ten highest beneficiaries of GRAP funding have remained the chief beneficiaries of STAR- Ghana, though not in the same order. Allowing for the power of the "good old days" in framing attitudes to the present, there were some significant differences between the two periods. These included the generally lower amounts of grants received by some of the bigger CSOs, the shift from core funding to thematic activities, the shorter lifespan of grants and a sense that the donors had become much too dominant in decision-making about the shape of the fund (see A13 and A14 in Appendix 2).

Is STAR-Ghana Centralised and Accra Biased?

Table 29:STAR-GHANA PROJECT FUNDING

STAR GHANA PROJECT FUNDING		
REGIONAL LOCATION OF GRANT PARTNERS		
Region	Amount	Percentage Of Funding
Greater Accra	12,154,279	64.66
Volta	412,986	2.20
Northern	3,500,228	18.62
Brong Ahafo	180,000	0.96
Western	1,170,927	6.23
Eastern	410,244	2.18
Central	202,000	1.08
Upper West	442,874	2.36
Upper East	115,000	0.61
Ashanti	210,000	1.12
TOTAL	18,798,538	100

Source: Collated from STAR-Ghana website

An examination of STAR-Ghana’s disbursements establishes that in terms of regional location of grantees, the Greater Accra Region does have the largest proportion of grants disbursed so far (64.6%) with the Northern Region coming a distant second at 18.6%, with the eight other regions enjoying between 6% and 0.96% of grants (Table 29).

Table 30: STAR-GHANA PROJECT FUNDING

TABLE 30 : STAR GHANA PROJECT FUNDING		
LOCATION OF PROJECTS		
Region	Amount	Percentage Of Funding
Greater Accra	793,017	4.22
Volta	446,281	2.37
Northern	2,383,340	12.68
Brong Ahafo	180,000	0.96
Western	1,170,927	6.23
Eastern	410,244	2.18
Central	100,000	0.53
Upper West	392,874	2.09
Upper East	115,000	0.61
Ashanti	60,000	0.32
National	8,448,101	44.94
Multiple Regions	4,120,536	21.92
Not Specified	178,218	0.95
TOTAL	18,798,538	100

Source: Collated from STAR-Ghana website

However, in terms of the regional location of grantee projects, the figures are substantially different. 44.9% of projects are national, 21.9% are multi-regional projects, while only 4.2% are based in the Greater Accra Region. For the rest of the Regions which each have under 2.5% of the funds disbursed, Ashanti Region has the smallest proportion of funding (0.32%) while Volta Region has the highest percentage at 2.37% (Table 30). The strong showing of Accra based organisations as beneficiaries of grants is very much linked with the fact that the Greater Accra Region remains the most dominant in terms of the size of its economy, the fact that it is home to all the key policy making and governance institutions, and has a significant proportion of advocacy CSOs.

Exploring further the regional focus of STAR- Ghana's grant partners, we found that the vast majority (79.94%) did not focus their work on any region, a small number were involved in projects in several regions (5.37%) with a significant minority (14.65%) focusing on only one region (Table 31). Another complaint that STAR-Ghana was focusing too heavily on national level work to the detriment of local advocacy activities was not borne out by the tabulation of projects which showed that 54.1% of project resources were either devoted to one Region or to multiple regions, with 44.9% focused on national level work (See table 31 below).

Beyond the validity or otherwise of these criticisms, it is important that they were mostly based on perceptions and assumptions. For examples, some of the regions which complained the most were not the worst in terms of projects. As STAR-Ghana staff have correctly pointed out, the organisation's funding portfolio has been posted on its website and is regularly updated. It suggests that this is not a place that CSOs frequent. Therefore, it raises questions about how STAR-Ghana can communicate its funding policies and their outcomes to its key constituencies more effectively. Even more telling, several private and public sector respondents had no idea what STAR-Ghana was.

Table 31: NATIONAL, REGIONAL AND GENDER BALANCE OF STAR-GHANA PROJECTS

NATIONAL SPREAD OF STAR GHANA PROJECTS		
	Amount	Percentage
National	8,536,701	45.41
Sub-national	8,094,781	43.06
Other (not specified)	2,167,056	11.52
Total	18,798,538	100

REGIONAL FOCUS OF PROJECTS		
Projects	Amount	Percentage
Focused On Only One Region	6,051,683	32.19
Multi-Regional Focus	4,120,536	21.92
Non-Regional Focus	8,448,101	44.94
Not Specified	178,218	0.95
Total	18,798,538	100

GENDER BALANCE		
	Amount	Percentage
Gender Based Project	5,918,219	31.48
General	12,880,319	68.52
Total	18,798,538	100

Source: Collated from STAR-Ghana website.

In addition to regional balance, there has been criticism that STAR-Ghana's approach to gender equity was still work in progress. We found that 31.5% of STAR-Ghana's funding had gone to projects specifically focusing on promoting gender equality and equity concerns (Table 31). It is also worthy of note that STAR-Ghana has taken steps to outline a Gender Equality and Social Inclusion Strategy (GESI) which combines the concern of gender discrimination with inequalities arising from other forms of discrimination which results in social exclusion, particularly disability and geographical location.

While there is not a fixed list of excluded groups and each grant partner will be encouraged to identify their own group, the strategy mentions gender, disability, geographical disadvantage as key, but also identifies additional categories- HIV/AIDS

status, ethnicity, migrant and domestic labour, and religious identity. The strategy is cautious in outlining an incremental approach combined with careful monitoring over the rest of the life of STAR-Ghana. Two phases are envisaged. An 18 month foundational period where systems, targets and indicators and the acceptance of GESI is established among grant partners and the STAR-Ghana secretariat to be followed by a second phase which envisages a possible thematic call specific to GESI and improved systematic implementation of the overall strategy (GESI Strategy Document, 2012).

Several of the GESI plans have been implemented- GESI indicators appear in STAR-Ghana's log frame and two of the thematic calls in education and health have a separate GESI policy brief to assist potential grant applicants to identify possible GESI issues for inclusion in their proposals. As well, STAR-Ghana has instituted attention to GESI issues as a grant conditionality. It is fair to say gender equality is on a stronger footing in STAR-Ghana than was the case for earlier pooled funding arrangements, including BUSAC. For one thing, the level of documentation is impressive.

However, a clear challenge with the GESI strategy is that there are no clearly elaborated approaches to the tasks listed in the strategy. Also, the results reported under GESI so far do suggest that gender equity in STAR-Ghana, is indeed work in progress. A summary sheet on STAR-Ghana's GESI achievements compiled in February 2013 shows that with regard to gender equality, achievements range from local level change in harmful cultural practices to policy documents, law reforms; the increased involvement of women in decision making at different levels attributed to the work of a mixture of women's organisations and mainstream CSOs. The summary says that 43.6% of the citizens reached by Results Initiative, Education and Election grantees are women and girls. What it means to reach these groups and the significance of their being reached for their situation is unclear. The achievements related to disability rights are even more meagre, and mainly in the areas of policy and access to and participation in electoral processes and attributed mainly three mainstream organisations who contributed in relatively limited ways. The achievements regarding other disadvantaged and excluded groups included actions regarding mental health, peasant farmers, mining communities, oil rich communities, prisoners, the three northern regions, Fulani, lepers, persons living with HIV and AID, and the aged.

The achievements compiled in the summary do not convey a sense of their importance and how they fit into a larger project, and their weight in the portfolio of the organisations responsible and of STAR-Ghana itself. Some of the achievements, particularly those related to women's election and appointment to decision-making structures can be challenged on grounds of difficulties of attribution. With regard to disability, the situation is even more problematic because most of the achievements are attributed to organisations mainly involved in the rights of disabled persons. The last category of other excluded groups is so diffuse that it is difficult to say what has been achieved.

These observations raise questions about the measurement of achievements, but also about the design of GESI and its strategies. While the elaboration of GESI with regard to particular themes is useful, precisely how the potential grantees should take up those issues in their projects is not clear. Also, the lack of attention to ensuring the participation of women's rights and gender equality organisations and those of other disadvantaged and excluded groups in STAR-Ghana's calls is a flaw in the strategy. This is what has contributed to the poor showing of gender equality dedicated organisations in the STAR-Ghana portfolio.

In terms of implementation, while it is laudable that STAR-Ghana is making efforts to mainstream GESI and has produced a checklist to guide members of the PMT in planning and implementation, the lack of full time staff dedicated to the design, implementation and monitoring of GESI is a weakness which might account for the unimpressive achievements of the strategy. If STAR-Ghana is serious about scaling up its GESI strategy, the issue of dedicated staffing has to be confronted. The GESI audit should provide the basis for a review of the strategy.

Does STAR-Ghana favour national over local CSOs?

Regarding equity and balance, it is pertinent to note that STAR- Ghana first and foremost runs a merit system. It is only when gaps are identified that organisations are encouraged to apply for specific calls. This does raise questions about the funding prospects of certain kinds of CSOs such as CBOS, an issue which deserves a full discussion and a policy because of its import for civil society as a whole. This issue of reaching smaller CSOs in places far from Accra has been of concern to STAR-Ghana. Its logical framework identifies local citizens groups as important to the credibility and legitimacy of advocacy efforts at all levels and therefore considers it a priority to include them more fully in strategic engagements at all levels. In the latter part of 2012, based on the findings of its annual review of 2011, which had recommended that STAR-Ghana brings together stronger and weaker CSOs in partnerships of mutual support or in relationships of mentoring and capacity building, STAR-Ghana commissioned a study on how to reach and support small remotely located CSOs and also diversifying the range of CSOs it was supporting. The report, drawing on the experiences of funds found that there were two main approaches to this issue of reach and diversification- a direct approach and the indirect approach through intermediary organisations (Johnson, 2013). Examining the two approaches using the experience of organisations such as CARE, Action-Aid, RAVI and KASA, the report identified the strengths and risks of such CSO support programmes. On this basis, it recommended that STAR-Ghana adopt the strategy of supporting such organisations through intermediary organisations, arguing that it was a good strategy for multi-level impacts and for going beyond reaching targeted CSOs and impacting on other actors within the broader civil society sector, and enabling interventions at three levels- the small CBO, the intermediary organization and the national or regional policy CSO. STAR-Ghana's own role in this would be to support intermediary organisations by providing them with grants and tracking and monitoring the outcomes of their engagements. Such an approach would contribute directly to building a stronger civil society, in line with STAR-Ghana's theory of change which recognizes the importance of working beyond individual organisations to strengthen the spaces in which they interact and engage in collective endeavours to further their common goals.

An important observation made in the Johnson Report (2013) is the erosion of the self-help spirit of CBOs. This is attributed to the introduction of external funds into CBO activities, which has had the effect of diverting the attention of organisations from their core concerns to proposal writing and project implementation, two activities more typical of NGOs and CBOs. The report argues on this basis that the task for reaching local CSOs should be to support them in ways which enhance their on-going activities and processes without changing their distinctive characteristics that make them effective. If this observation and framing of the issues, which is confirmed by our difficulties with sampling CBOs is to be taken seriously, then efforts to reach them must be sensitive to this risk. This raises questions about another recommendation in the Johnson report that

STAR-Ghana prioritises capacity building over funding in its approach to smaller organisations. Experience shows that capacity building is one of the most effective ways of changing organisations, and therefore, this approach has to be implemented with even more care than usual.

It is unclear if STAR- Ghana has adopted any of these recommendations. However, in the light of the growing resentment of bigger Accra based organisations by the smaller ones in the Regions, there is the need to discuss these proposals with all the stakeholders and also take care in deciding which organisations should serve as intermediaries and whether their selection should be on the basis of geographical or thematic affinity. Time, though, is not on STAR-Ghana's side, and therefore, it is not clear how far it will be able to implement the Johnson recommendations in its current phase.

Examining Staggered Calls and the Thematic Approach

STAR-Ghana's strategy of staggering its calls for proposals under various themes has been the subject of much discussion. On the hand, it enhances STAR-Ghana's efforts to be efficient, taking into account its staffing and capacity constraints and the work intensive nature of the call process and the management of funded project. On the other hand, it has resulted in some CSOs trying their hands at several calls, particularly when they have not been successful in an earlier call. Beyond the staggering is the question about the benefits and disadvantages of the thematic approach.

At one level, some respondents have argued that the calls provide the opportunity for organisations to modify and innovate with their traditional focus areas and also to enable a critical mass of organisations to focus on a particular theme. For example, the call on "access to justice" allows a CSO in education to pursue relevant access to justice issues in Education. Secondly, if calls cover cross cutting issues such as corruption, then they encourage CSOs to incorporate neglected, issues while seizing the opportunity to work with others. On the other hand, it has been argued that in using a thematic approach, the donors through STAR-Ghana are employing Civil Society to deliver on their agendas, instead of supporting CSOs to pursue locally conceived agendas. Secondly, it undermines the ability of CSOs to specialise and become known as credible interlocutors around a set of issues. Indeed, part of the distrust of CSOs is that they are not known for any particular area of work and have not acquired the long years of experience and knowledge which make them more successful in their policy advocacy with government agencies and trusted by the constituencies on whose behalf they advocate.

While specialisation is to be encouraged, and call hopping discouraged, this depends on the thematic area in question and the level of an organisation's operations. We have to keep in mind that there are cross-cutting issues of relevance to all, and also that new issues arise which could enrich an established CSO's areas of work. As well, as the head of a small NGO operating in a local community argued during a focus group discussion, "You can't divide peoples' lives into health, education, water and sanitation. Once you have decided to work with a community, you cannot say that if they have a problem with education, you will not be involved because your area of work is health" (VRFGD, July 2013).

On the question of a thematic approach, it may be that an overarching theme which reflects Ghana's development aspirations of structural transformation, middle income status, democracy and sustainable development, might be broad enough to enable innovative themes to well up from CSOs themselves. It would require strong management and support of subject matter specialists. At the same time, it would represent a bottom up approach which encourages CSOs to think more deeply about what is needed to transform Ghana's economy and society beyond the silos represented by thematic calls. This would not preclude a fund identifying gaps in the thematic areas and setting aside the resources to pursue these as well.

STAR-Ghana's interest in capacity building and shepherding proposals to the funding stages is appreciated particularly by the smaller organisations. It brings clarity about what results are expected and expectations on both sides. However, there is concern that the dominance of a bean-counting approach in results based management makes for a mechanical approach to showing results, can generate exaggerated claims and does not encourage honest reflection on the part of CSOs about successes, failures and lessons learned. More damaging, it does not encourage cooperation and collaboration among CSOs and prevents them from responding to new issues as they arise. Furthermore, some of the expectations which privilege upward linkages with policy makers do not reward the building of constituencies on the ground, which are crucial to the enlargement of democracy and active citizenship. Going forward, STAR- Ghana needs to show more clearly that it is alive to these issues.

STAR-Ghana's Approach to Sustainability of Organisations

STAR-Ghana's concern with sustainability is actualized in a sustainability window through which CSOs can apply and receive funds to support components of their sustainability plans. STAR-Ghana's presentation to potential applicants defines sustainability as the "measure of an organisation's ability to fulfil its mission and serve its stakeholders over time....the process by which an organization is able to develop and change in a planned manner within available resources". The presentation makes clear that sustainability concerns both the organization and its services, is a process and not an end, and involves broadening sources of funding and improving the ability to deliver vital services. Three kinds of sustainability are identified- services, organizational and financial. Service sustainability refers to a situation where services provided or impacts made continue long after the original or primary donor funding is withdrawn, organizational sustainability defined as the ability to secure and manage resources to ensure the consistent fulfilment of an organisation's mission over time, while financial sustainability refers to the organisation's net income, liquidity and solvency (Sustainability Grant Information Session, 2013)

Originally offered to grantees of STAR-Ghana's thematic call on Education, the sustainability grant has now been extended to all CSOs irrespective of size, scope, range of activities, areas of work, geographical spread of operations and level of maturity, as long as they have an existing relationship with STAR-Ghana either as grantees or applicants under an ongoing thematic call. While the sustainability call is explained as a response to G-RAP's end of Programme evaluation which recommended a continuation of core funding in one form or other, the Sustainability Fund is clearly distinguished from core funding. The presentation argues that core grants cover operational costs such as salaries,

rent, board meetings and utilities, while sustainability is about development and transformation, what an organisation needs to fulfil its potential, achieve impact, grow and respond to demands and issues at each stage of development, or basically maintaining the reasons for being indefinitely. Sustainability is also distinguished from general organisational strengthening or promoting change across the CS sector.

Organisations that benefit from the sustainability fund are expected to move to another level, gain increasing independence from donors by diversifying funding sources to include INGOs, private sector and a wide variety of donors. They are also expected to develop long term plans for organizational sustainability which involved inter-generational change in leadership, improved governance and increased quality of staff, and systems for decision making.

A quick review of the sustainability projects of the successful grantees reveals wide variations in the level of ambition of these projects. The majority had several objectives, which were classified under the headings of governance and leadership; internal operations and management; development and delivery impacts; resource development and financial management; internal and external communications; strategic relationships; long term planning and operational development; staff capacity and support; and expansion, growth and diversification of organisation. Most of these plans were to strengthen and consolidate governance, internal management and programme systems and approaches, which arguably would strengthen the sustainability of individual organisations, it was in some cases difficult to separate them from normal capacity building activities. There were a few, though which were directly linked with long term survival. These included the expansion of governance structures to include a general assembly of members; succession planning and the development a range of strategy documents such as long term strategic plans; fundraising and communication strategies. Others were the establishment of an endowment fund, a social enterprise and other income generation projects, and interestingly, the establishment of strategic relationships and planning for expansion, growth and diversification. Looking at the proposals, it is difficult to assess whether STAR-Ghana's philosophies of sustainability which combine the sustainability of individual organisations and that of the sector as a whole are aligned with those of its grantees. Finally, given that only selected components of the sustainability plan are guaranteed funding, it is unclear how organisations are expected to implement other elements of the programme.

Certainly, an evaluation of the conception and work of the Sustainability Fund is warranted to guide this activity in the next phase to ensure that it contributes concretely to strengthening the sustainability of its beneficiaries and the CS Sector as a whole.

7.3 BUSAC Compared with STAR-Ghana

A pooled funding arrangement which may offers lessons for the future is the Business Challenge Advocacy Fund known as the BUSAC Fund, established in 2004 by DFID and DANIDA. Part of an earlier generation of funds, but one which has survived into a second phase, it is managed by COWI, a private development firm contracted by DANIDA for the purpose. While in phase 1, BUSAC was funded by DFID, DANIDA and USAID, it is currently being supported by DANIDA, the EU and USAID. BUSAC, with a 20 million dollar budget, is the main private sector advocacy fund with the objective of doing for private sector organisations what STAR-Ghana aims to do for CSOs. Its objectives are to achieve a broader engagement of the Private Sector in policy making and implementation at all levels, strengthen the advocacy capacities of private sector organisations to advocate

for pro-business sector reforms; improve the private sector through assisting in removing bottlenecks and improving understanding of the role of business in Ghana.

The organisations which fall within BUSAC's ambit are variously called private sector organisations, business associations and membership based organisations. Based on its definition of PSOs as "business organisations, societies, and associations both in the formal and informal sectors; Farmer-Based Organisations, Trade Unions and other associations within the Labour market; and Media organizations and associations", the Fund works with a broad range private sector organisations, both large and small. For example, it supported rotating credit scheme operators to demand a policy framework for facilitating their activities.

Since its establishment, BUSAC has funded over six hundred organisations since its establishment and currently funds about three hundred and thirty three of them in its second phase. An average grant is between 100,000 and 120, 000 Ghana cedis, although some are lower, in the region of 30-50,000. This is to accommodate small organisations that do not require large grants. Based in Accra, BUSAC in 2010/2011 established an additional office in Tamale to strengthen its efforts to contribute and connect to the SADA programme. Currently, Northern Ghana accounts for almost 50% of projects being funded by BUSAC. In this BUSAC can be contrasted with STAR-Ghana which has a smaller but more varied portfolio of 79 projects (21 in education; 20 in oil and gas; 29 in health and 9 under strategic opportunities). As well, STAR-Ghana top ten beneficiaries have received amounts between US \$ 850,000 and US\$ 180,000.

BUSAC grants are usually for an advocacy period of a year. This is not quite a calendar year, and depends on the grantee's planning and the timing of the advocacy activities. BUSAC provides two kinds of support, a grant and training, but considers the training programme to be its main priority, in contrast with STAR-Ghana which considers its grants to be its main priority. Two kinds of training are offered to BUSAC beneficiaries- financial management and five steps of advocacy. Because of its fixed life span and the need to post results during the period, BUSAC funds only proposals with very specific objectives which are not long term in that they can be achieved in one or two years. Complicated long range issues or projects that are not concrete and cannot define clear objectives and clear results in the short term are not covered by BUSAC's mandate. The fund manager recognises this as a short coming, as they cannot finance certain critical issues.

First time grantees are asked to make an upfront commitment of 10% of the amount they are applying for as proof of their level of commitment. Like with STAR-Ghana, a decision to fund an organisation depends on its assessed capacity to advocate, the seriousness of its management, whether it has the financial and managerial capacity to manage the grant and advocacy issue and the seriousness of the issues. BUSAC funds only organisations that are formal and legally registered.

Like STAR-Ghana, BUSAC makes calls for expressions of interest and concept notes on specific themes, e.g. infrastructure or national policy. Its grant making processes are also quite similar to STAR-Ghana's, with a key role for the Steering Committee which is made up of representatives of the funders, the private and public sectors. Grantees are not represented on the Steering Committee as this is believed to create a conflict of interest. Neither does BUSAC organise an Assembly of grantees. As we did not interview BUSAC

grantees, we have no sense how grantees feel about the top-down approach to deciding on thematic priorities and the lack of participation of grantees in the governance of BUSAC.

Unlike STAR-Ghana, BUSAC does not directly support organisational sustainability. Instead, they work with organisations which they consider sustainable. These are organisations which have been around for a while, generate revenue from their members, are formal and registered and will not rely on a BUSAC grant to survive. For BUSAC, sustainability lies in the fact that their grantees are able to continue to advocate on their own, using the methods they learned during the BUSAC intervention.

Like STAR-Ghana, BUSAC is uncertain if there will be another phase. As the fund manager notes, it is up to development partners to decide on their priorities for the coming years. BUSAC hopes that by showing good results, a clear vision, strategic thinking and with close coordination with the development partners, they can be persuaded to see its continued value.

8. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

8.1 Summary and Conclusions

The PEA found that Civil Society in Ghana is inhabited by a wide range of organisations of different forms, sizes and functions, whose development, rise and fall, is intimately linked with developments in Ghana's political economy. At different periods, the small community based organisations, the mass based workers organisations, the professional associations and NGOs have held sway, and have been involved in a varied range of pursuits, including service delivery, advocacy for democratisation or development and capacity building. Currently, NGOs and their coalitions and Networks are the most common and most influential players within organised civil society.

Two drivers of the rise and wane of the different kinds of CSOs are democratisation with attendant changes in governance and policy making processes and consistent economic growth which has opened up the economy and created the need for CSOs in new areas, while the structure of the economy and the politics, which are Accra dominated, has meant that the majority of NGOs, and also the biggest and most influential, operate in Accra with the Northern Region attracting particular types of CSOs because of its longstanding developmental Challenges. For its part, the Ashanti Region has the lowest number of NGOs, but probably one of the highest concentrations of indigenous forms of organisation. Increasingly, there are CSO coalitions and networks, some specialising in particular issues e.g. health, governance and peace and conflict; or representing geographical areas. While increasingly seen as useful, particularly as a response to pressure from donors and government, they are not fully embraced and utilised by their members.

Another driver of CSO development has been donor activities and changing attitudes, currently influenced by the Aid Effectiveness Agenda, Results Based Management (RBM) and the Rights Based Approaches to Development. All these developments have worked together to change the funding landscape and nudge civil society organisations to embrace new agendas and ways of working.

The study has shown that the civil society sector in Ghana has gone through several phases of evolution and development. As well, there have been shifts, over the last three decades, in civil society-government relations from one of restriction and co-optation in the 1980s to a period of transition to democracy and wider political space to operate, to one of increased maturity in the 2000s (on both sides), respect of the rights of CSOs as enshrined in the 1992 constitution, as well as an increasing recognition by government and donors of Ghanaian civil society as a key participant in policy debates and implementation.

The PEA confirmed that many CSOs are worried about their future on account of their current financial situation and the sense that this is a long term issue. While many organisations had multiple donors, their sources of funding were mainly donor sources, and therefore not diversified. Secondly, only some of them were enjoying some multiple-year project funding, and even fewer had core funding. The large membership organisations such as the TUC and the Ghana National Association of Teachers were generally in a much better position, having invested their membership dues over a long

period of time. Even they had to cope with a liberalized trade union climate in which membership was no longer compulsory with dues deducted at source.

In terms of financial sustainability, few organisations thought they were permanently sustainable. The majority of organisations interviewed felt they should become self-financing, but with varied reasons for wanting to take this approach. These included the desire to escape the inconveniences of fundraising and aid dependence, to acquire the resources to expand the scope of their work, and to find secure sources of income. These answers have to be understood in the light of the insecurities many organisations feel.

In terms of the prospects of alternative funding beyond income generation, about a third of those interviewed thought the government, the private sector, philanthropists, and membership dues were high potential alternatives in the long term. Interestingly, more respondents felt committed individuals were high potential. Most organisations would take money from government, the private sector, philanthropists, membership and committed individuals. The highest number of “no” responses for an entity was the 12.5% who would not take government funding and 10% who would not take private sector money. On the other hand, the study found that much work would be needed to convince the private sector to consider funding CSOs, either through pooled funding arrangement or directly. This was mainly because of the very concrete character of private sector philanthropy which was at odds with the advocacy turn in CSO work, as well as the desire of private sector organisations to avoid partisan politics.

Many CSOs thought STAR- Ghana was a positive development in the funding climate of CSOs. However, only the minority who had benefited from its funding were completely clear about STAR-Ghana’s operations and considered it a good intermediary between donors and civil society. However, there were various questions raised about STAR Ghana’s policies and modes of operation by CSOs, who argued that its funding modalities excluded smaller organisations and those based in the regions who were primarily engaged in service delivery. The study found that while there was widespread support for pooled funding arrangements, some flexibility was needed to create different options for donor funding.

STAR-Ghana has to steer between the focus of local organisations on micro-policy change and the emphasis of national CSOs on national policy issues. BUSAC also faces the same dilemma, although it privileges its work with apex organisations which focus on national policy issues. In practice though, BUSAC has funded a wide range of projects from the very specific to those of national import. For example, it funded advocacy for the allocation of space and storage facility in Wa Central Market which is very local; advocacy for the standardisation of batik and tie-dye products which is a sectoral project, and advocacy for the review of the Banking Act, of 2004, Act 673, which is national in effect.

The rationale for the preference of national policy issues and the bigger organisations which front them is that both the big organisations with the bigger issues and the smaller organisations both require the same amount of time and effort to work with. Therefore it may be more cost effective and efficient to focus on the projects with huge impacts. On the other hand, if you want something concrete or a tangible impact, then it is best to focus on the small ones. Moreover, to address the challenges of policy implementation necessitates some attention to local level advocacy. While some kinds of local level advocacy would

have mainly localized effects, some of it could help to strengthen national policy implementation at the local level. While STAR- Ghana clearly recognizes the dilemma, it has not been able to convey this to sub-national CSOs.

STAR- Ghana view of sustainability clearly makes a distinction between the sustainability of the CS sector as a whole and that of individual organisations. This is an important distinction, but one which is not entirely easy to make in practice. While Civil Society is not the sum of its organisations, the fate of individual organisations can affect the character of the sector. Therefore, STAR's position that it will support individual organisations, but not keep dying organisations on life support raises questions. For one thing, it is not only bad organisations which are facing serious existential questions in this period. Secondly, if enough organisations collapse or become debilitated, it is likely to affect the vibrancy of the sector for some time to come. What replaces such organisations might not take up the gaps left by their defunct predecessors. For this reason, the fortunes of individual organisations should be of some concern, particularly in a situation of generalized uncertainty. Even if organisations survive, the survival reflex would affect how they operate with implications for civil society as a whole.

8.2 Recommendations- Looking Forward

CSOs

On the basis of the seriousness of the organisational challenges facing CSOs and their sector, there is a need for them to rethink their organizational forms and develop structures and alliances which bring new constituencies committed to their survival as organisations closer. In addition, organisations should create relationships with individual academics, technocrats and professionals, as well as with their organisations. Benefits of this approach include pro-bono services, financial support and a wider reach. One way to build new constituencies is for CSOs to respond more timeously and comprehensively to topical issues of public accountability, social development deficits and economic crises. It also requires turning more and more to public mobilisation to support policy advocacy and acquiring the skills to do this and also taking steps to strengthen organizational accountability and legitimacy. An area of improvement in this regard is the use of social media both to cut down on the costs of organising and also to reach a wider audience, particular younger people.

An important aspect of this organisational restructuring concerns the validation, support and recognition of local and community based organisations by civil society, the government and the donors. Such recognition should come in the form of actively involving them in critical decision-making at the national and local levels; the development of funding instruments which recognise the importance of community based work and the self-organisation of local people and a reorientation of civil society itself to value such organisations and advocate for their recognition and inclusion.

In addition to strengthening their individual organisations, CSOs need to pay attention to the state of their coalitions and networks and the quality of networking and cooperation among them and the health of the various spaces in which they operate. As long as individual CSOs see coalitions as either competitors or of not much practical relevance, and so long as CSOs do not experience the synergies in cooperation with each other, no

amount of pious talk about coalitions is going to make a difference. Therefore CSOs have to be more proactive about how to make coalitions and networks work for their members and for the sector as a whole, drawing on their particular strengths. For example, they could formally assign their coalitions the topical issues within the political economy which individual organisations are not able to address and also give them responsibility for programmes to strengthen the organizational capacities and effectiveness of their members in areas such as strategic management and planning, information systems management, grant proposal writing, project management performance monitoring and management and leadership. Given the topical nature of organisational sustainability, CSOs need to devote time and thought to this issue. A collective approach would enable them to share costs and reap benefits beyond their individual capacities, and this could be another activity coordinated by the Networks and Coalitions.

One immediate issue of collective reflection would be opportunities, risks, practicalities and overall implications of the idea of CSO income generation projects. For example, there are discussions of the benefits of community wealth creation initiatives, social enterprise, commercial enterprise and social investment as options which can be explored more systematically. Another area of collective reflection concerns alternative funding sources. Given that the thinking about alternative funding sources is still preliminary, CSOs should become proactive in setting up a dialogue with government, philanthropists, the private sector and the general public about the importance of local resource mobilisation for Civil Society.

Government

Our study found several weaknesses in the governance and regulatory environment for Civil Society and its organisations. To remedy this, the government needs to produce in the short term, Corporate Social Responsibility (CSR) and Civil Society (CS) policies with the active involvement of stakeholders. With regard to CSR policy, it should have an eye on creating an enabling environment for private sector support of CSOs and providing instruments for this to happen. Beyond policies, fundamental reforms are needed in the institutions responsible for civil society and its organisations. The government needs to take steps to strengthen the Social Welfare Department or establish a new entity with the mandate to implement the CS policy and the resources to effectively address the needs of the CS sector. In relation to CS involvement in policy making which is an area of continuing challenge, government should institutionalize and formalize the existing relationship between civil society and government in development policy decision-making and work together with CSOs to widen the policy spaces for engagement.

With regard to CS funding, the government should lead a process, or mandate STAR-Ghana to do so, to draw up modalities for two local funds to support the work of CSOs and other non-state organisations working on research and advocacy. These should be independent mechanisms free from political influence and control. In the meantime, the government should consider devoting a small percentage of its earnings from state enterprises and the General Budget Support received from donors to CSOs.

Donors

The spread of certain types of CSOs has been linked with developments in Ghanaian politics and economy, but also with landmark donor actions. These links between availability of funding and organisational priorities and approaches suggests that donors need to be more sensitive about the effects of their demands and changing interests on the CS sector. The perception that donors are not sufficiently interested in organizational sustainability and are mainly focused on project success is problematic for building healthy transparent relations with Civil Society and its organisations. This is an area for some thinking and action and requires a shift from entrenched positions. In this connection, donors should reconsider their stance on core funding for CSOs even as they pursue mechanisms to promote the wise use of resources by CSOs.

To address the neglect of smaller organisations, the donors should consider launching a fund for CBOs and smaller CSOs drawing on the lessons of funds such as RAVI and KASA in Ghana and also experiences elsewhere, as well as the recommendations of the Johnson report. Such a fund should enable CBOs and small NGOs to apply for funding and account for grants through relatively simple procedures which take their lower literacy and other capacity issues into account.

Private Sector

Although their concerns about sustainability makes them wary of ceding the management of their CSR projects to others, the private sector should consider that a way of ensuring the sustainability of their interventions is to work more closely with CBOs. Because of their location, CBOs can ensure the maintenance and sustainability of projects. To enlarge their reach while at the same time protecting themselves from charges of partisanship, private sector organisations should consider contributing a percentage of their profits (separate from their CSR budgets) to pooled funds. This would enable them to support responsible and credible CSOs that work in communities they support, their areas of interest, or advocate policies to government that would be beneficial to their sector.

STAR-Ghana

The renewal of the STAR-Ghana programme after 2015 would offer continuity and the opportunity for redesign, modifications and the application of learning. As well, it would mean that an experienced team will carry forward the work to diversify funding sources. If the outcome of the mid-term review results in donor commitment for another five years, then a key agenda for STAR-Ghana's current and next phase should be to secure government and private sector commitment to CSO support and the establishment of processes to actualize this. In the first instance, separate processes might be necessary for these two sources, which should be managed by structures on which CSO representatives and those of the private and public sectors both serve, but probably in different compositions. The two structures should work closely together and with STAR- Ghana and benefit from its experiences.

In the next phase, STAR-Ghana should be structured in a way which enables it to offer longer term multi-year grants to CSOs. Such long-term funding commitments would

strengthen the organizational and financial sustainability of CSOs. As well, it would improve the health of CSO networks and coalitions and the spaces in which they operate.

STAR-Ghana also has to address the question of ownership of its programme, its internal processes and relationships among its parts- donors, secretariat and steering committee, and last but not least, its grant beneficiaries. This would enhance a more collective approach to agenda setting. Other areas of possible reform include its result based management systems, addressing perceptions of discrimination at several levels. At the very least, these contentious issues need to be resolved and the resolutions well communicated to the entire civil society sector.

Communication and dissemination approaches are another area of proposed change in the next phase of STAR- Ghana. In recommending that its grant partners embrace different kinds of social media in work, STAR-Ghana itself needs to embrace these instruments and adopt innovative and cost effective ways of communicating with its constituencies. Regional networks of CSOs have a role to play in disseminating STAR Ghana's communications and anchoring capacity building programmes within the Regions. A list of recommendations emanating from respondents for improving STAR-Ghana is found in A15 in Appendix 2.

With a growing economy, there are more possibilities of domestic sources of CSO funding. STAR Ghana could facilitate the identification of these sources and the establishment of modalities for their use, in close collaboration with CSOs. The findings from this study provide some pointers to possible risks, bottlenecks and challenges to be overcome. Further reflections would provide the opportunity to critically examine how to support organisational sustainability beyond the bottle-neck of entrenched positions about core funding and RBM approaches. Addressing all these questions would make STAR-Ghana even more useful to CSOs and also protect its achievements and legacy.

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