Beyond Core Funding: Many Faces of Civil Society Sustainability

Dragana Marinkovic

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About the Author
Dragana Marinkovic is a graduate student at the School of Public Policy, Central European University in Hungary completing her Master of Public Administration degree. She holds a B.A. in Political Science from Macalester College in the United States. Dragana has experience working with civil society organizations in Bosnia and Herzegovina, United States and Ghana. As part of the Open Society Internship for Rights and Governance (OSIRG) program of Open Society Foundations (OSF), she was an intern at West Africa Civil Society Institute (WACSI), where she carried out a research project on sustainability of civil society in Ghana. Currently Dragana is working on a research project with the UK Department for International Development (DFID) focusing on humanitarian aid and conflict in Sudan and with Center for Conflict Negotiation and Recovery (CCNR) where she contributes to a project looking at how of private foundations engage in conflict prevention and peace-building. Email: dragana.marinkovic.ba@gmail.com

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The West Africa Civil Society Institute (WACSI) was created by the Open Society Initiative for West Africa (OSIWA) to reinforce the institutional and operational capacities of civil society in the region. WACSI also serves as a resource centre for training, research and documentation, experience sharing and political dialogue for CSOs in West Africa.

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LIST OF ACRONYMS

CSO Civil Society Organisations
CBO Community Based Organisation
FBO Faith Based Organisation
INTRAC International NGO Training and Research Center
UN United Nations
WACSI West Africa Civil Society Institute
USAID United States Agency for International Development
STAR Ghana Strengthening Transparency, Accountability and Responsiveness in Ghana
EU European Union
DANIDA Danish International Development Agency
DFID UK Department for International Development
GAPVOD Ghana Association of Private Voluntary Organisations
CivicoS Civil Society Coordinating Council
SAPRI Structural Adjustment Participatory Review Initiative
GPF Growth and Poverty Forum
GPRS Ghana Poverty Reduction Strategy
DVB Domestic Violence Bill
WB World Bank Group
NIMCOSS Nimba Community Support Services
YFPA Youth for Peace in Africa
HEDGE Foundation for Health, Education, Development Growth Enterprise
GWV Ghana Women’s Voices
ARHR Alliance for Reproductive Health Rights
TWN Third World Network
GNECC Ghana National Educational Campaign Coalition
GENCED Gender Centre for Empowering Development
FCO British High Commission Foreign and Commonwealth Office
IDEG Institute for Democratic Governance
INTRODUCTION

Ghana has a vibrant and diverse civil society sector which has been an active participant and contributor to development and good governance in the country since the 1980s. There are a number of different types of civil society organisations (CSOs) in Ghana, some of which include communal groups, community based organisations (CBOs), national civil society organisations, faith-based organisations (FBOs), networks and coalitions.¹ They are also very active in the areas of human rights, women’s rights, judicial processes, poverty reduction and others.² CSOs have been a crucial factor in ‘altering traditional conceptualization of governance in Ghana,³ representing the ‘demand side of governance,’⁴ pushing the government to improve public services, demanding rights of citizens and the overall enhancing of democracy in the country.⁵

While the importance of CSOs and the sector as a whole in Ghana is not in question, their future is unclear. With rising concerns that donor funding will decline as Ghana assumes the status of a middle income country,⁶ and with some donors already scheduling to withdraw or significantly reduce funds, questions about the sustainability of the civil society sector and individual organisations have been raised by concerned actors in the field. How CSOs will persist and adapt to an ever changing environment both globally and locally is an important question for further exploration.

This research project looks at current challenges to sustainability of CSOs in Ghana. It offers an analysis of the current state of CSOs by looking at their financial sustainability, capacity building and relevance and attempts to identify some areas for improvement which can be useful for sustainability in the long run. The research compares and contrasts perceptions of donors with those of CSOs and provides recommendations to bridge the gap between the two for a more productive partnership in the future.

CONCEPTUAL FRAMEWORK FOR SUSTAINABILITY

Sustainability of a CSO is not a clearly defined concept. What is needed for an organisation to be sustainable in the long run is not a ‘one size fits all recipe’ as different members of civil society are at different stages as organisations, have different challenges, strengths and needs and thus their paths to achieving sustainability are different. However, a broad meaning of sustainability can be agreed upon. The word “sustainable”, often associated with the environment and nature, is defined as the capability of maintaining something at a steady level (in the case of the environment, “without exhausting natural resources or causing severe ecological damage”).⁸ If one thinks of this in the context of a CSO two things come into play. First is CSOs’ ability to carry out their work/mission with a constant high level of quality and second, the ability to do that in the long run without exhausting their resources. The conditions necessary to maintain a

² Ibid.
³ “Reflecting on Civil Society’s Evolution in Ghana over the Last 50 Years” (West Africa Civil Society Institute, November 2007).
⁴ Ibid.
⁵ Ibid.
⁶ Ibid.
steady performance for an indefinite period of time may vary. However, research and experience coming from both academia and practitioners show that most CSOs have to possess certain specific characteristics to be able to achieve sustainability.

One of the challenges to understanding sustainability is the scarcity of literature in English which discusses the concept under the exact term ‘sustainability’. There might be literature that discusses the concept but under different terms and is thus difficult to identify. The following pages will look into different conditions and factors that have been suggested by both academics and practitioners regarding what an organisation needs to be sustainable. First, I explore what the literature says about individual aspects of sustainability identified as important for this research. These are financial sustainability, capacity building and relevance. I then proceed to look into literature on sustainability as a whole.

When looking at financial sustainability of CSOs, a lot of the existing literature focuses on the problem of donor-dependence and a significant increase over time, of reliance on foreign donor organisations, which presents a danger to financial sustainability. Holloway for example, explains that dependency on resources of foreign development agencies made a lot of CSOs vulnerable to changes in those organisations’ policy and practice, making them also more distant from the potential support they might receive at home. He also points to the fact that, foreign donors have little experience in funding sustainability or resource mobilization, but at the same time, CSOs have little experience in asking for such funds since they have rarely engaged in these practices.

The question raised by this and discussed by Abdelkarim in the case of Palestinian NGOs for example, is whether domestic funding resources have been sufficiently developed to replace the (declining) donor support. Often times, like in the case of Palestine, the government does not provide enough resources for the sector and private and philanthropic donations are limited due to a difficult economic situation.

However, some alternatives are possible and described in the limited literature available. They range from investing in services that can be sold as profit, creating new approaches that result in more demand for revenue creating services, building financial reserves, obtaining a range of funding types, building steady relationships with donors and others. However, Holloway points to an important problem when it comes to becoming financially sustainable, and it is that many CSOs need some resources up front in order to engage in resource mobilization.

Apart from very high dependence on donor policy, high reliance on only a few big foreign funders has other negative implications. Some of those include distancing the organisation from local support, vulnerability to accusations that the organisation is doing work only because it is paid by a foreign ‘power’, and for CSOs engaging in development, it draws a sharp contrast between the sustainable development the organisation wants to achieve with its programmes and lack of that very sustainability internally.

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10 Ibid.
14 Holloway, *Towards Financial Self-Reliance*. 
Responsibility for sustainability however should be expected of CSOs and also of donors. At a workshop organised by International NGO Training and Research Center (INTRAC) one of the key points was responsible withdrawal from donors. Proper phase out strategies, replacement of funding with skills provision, regular review of mandates are all important so that sudden fund withdrawals and harsh consequences for CSO recipients can be avoided.\(^{15}\)

Capacity building or capacity development is, according to some of the literature in the field, “the latest fashion for maximizing NGO impact.”\(^{16}\) Majority of the big donor organisations also emphasise capacity building as important and as Eade puts it, “no UN summit goes without ritual calling for capacity building.”\(^{17}\) McPhee and Bare point to the fact that with limited resources of CSOs there is a need to link indicators of capacity to overall performance.\(^{18}\) An important aspect of capacity building according to some is to “balance the objectives, indicators and short time frames of development projects with building positive relationships with CSOs and moving at a speed that permits CSOs to absorb and apply new systems and skills.”\(^{19}\)

However, this is easier said than done and Titilope Mamattah, the West Africa Civil Society Institute (WACSI) Research and Documentation Officer at the time of writing this report, points to some of the major challenges in capacity building in West Africa. She explains that often, standard capacity building tools are not applicable to the African context. In addition, difficulty in evaluating impact of capacity building programmes becomes a problem as these are usually ad hoc and one off in nature. Furthermore, the internal politics of CSOs comes into play because often those who attend trainings are not the ones who most need it or can benefit from it most. Corruption within organisations is present and often those closest to management attend trainings rather than those who need it.\(^{20}\)

When looking into the literature on the three specific aspects of sustainability that this paper focuses on, I find that the discussion on relevance is mostly broad, discussing the importance of the CSO sector as a whole rather than looking at how individual CSOs ensure relevance in their work. However, the two approaches are highly linked since relevance of individual CSOs plays a role in the relevance of the sector as a whole.

A lot of the literature attempts to define “civil society” and from there depict their significance in a country and globally. Michael Bratton and Michael Foley examine some of the definitions in the literature and point out that a number of definitions on civil society put the sector at odds with the state.\(^{21}\) Bratton argues that a neutral definition of civil is necessary, one which does not assume the nature of the relations between state and civil society.\(^{22}\) His discussion on definitions is in my view significant because it raises the question of how civil society sees or defines itself in a particular country/context beyond the broad definitions of accountability, good governance


\(^{16}\) Deborah Eade, Capacity-Building: An Approach to People-Centred Development (Oxfam, 1997).

\(^{17}\) Ibid.


and democracy. It is clear that the sector is extremely pluralistic and diverse both in Ghana and elsewhere but a definition of where the sector is going as a whole could be a great way to give a direction of relevance to individual organisations in the country. This also raises the question of whether the existing definitions of civil society are appropriate and satisfactory for each individual context and whether CSOs need to individually rethink how they define themselves.

In addition to finding an individual path when it comes to relevance of civil society, it is important to see this in the context of a constantly changing environment. The World Economic Forum’s report points to the changing economic and geopolitical power, the role of technology and shifting political contexts which all play a role in the way in which civil society can best contribute to the wellbeing of its constituencies. Whether definitions of CSOs or the sector change with the changing environment and whether CSOs need to look back periodically and reexamine their purpose remains a question.

Another important factor to consider in the relevance discourse is the dichotomy between donors and CSO recipients. To what extent are donors shaping the agenda of civil society with their strive to build ‘good governance’? The extent to which donors’ efforts and funding are directed towards the ‘right’ issues, as well as how CSOs provide feedback to ensure those efforts are relevant still remains quite unclear.

The United States Agency for International Development (USAID) has developed a CSO sustainability index in which they identified seven components necessary for sustainability of civil society as a whole. While USAID refers to conditions necessary for the sector as a whole, most of these factors play a role in individual organisational sustainability of CSOs as well. The seven components are legal environment, organisational capacity, financial viability, advocacy, service provision, infrastructure and public image. Legal environment refers to the extent to which legal conditions are favourable for the work of CSOs. Organisational capacity includes factors ranging from constituency building, strategic planning, internal management, staffing and technical resources. The advocacy factor looks at CSOs’ influence on public policy. Service provision measures the range and relevance of goods and services provided by CSOs. Infrastructure looks at access to networks and coalitions, information and more. The last component, public image, looks at CSOs’ public relations and public perceptions of the sector as a whole. The comprehensiveness of this index points to the complexity of sustainability as a concept in itself and the different factors that can hinder or improve organisations’ way to achieving sustainability.

Strengthening Transparency, Accountability and Responsiveness in Ghana (STAR Ghana), a multi-donor pool fund for civil society funded by USAID, European Union (EU), Danish International Development Agency (DANIDA) and the UK Department for International Development (DFID) launched a sustainability fund for CSOs in May 2011. They defined

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23 Dr Aisha Ghaus-pasha, Role of Civil Society Organizations in Participatory and Accountable Governance Role of Civil Society Organizations in Governance Contents, 2004.
27 Ibid.
28 Ibid.
29 Ibid.
30 Ibid.
31 Ibid.
32 Ibid.
sustainability as “the ability of an organisation to continue to serve its stakeholders and to realise the mission for which it was established”. Their grant is fundamentally aiming to support in depth capacity building and help organisations move towards sustainability. Their model for sustainability seems to suggest the high value of effectiveness and efficiency for organisations in the early stages of existence, sharpened delivery of services for those with 4-6 years of existence and strategic organisational “business models” that are responsive to changing environments for organisations that have been active for 5-10 years. This seems to suggest that depending on the stage in which an organisation is, different steps may be needed to foster movement towards sustainability. Some of the focus points for organisations to work on to improve sustainability suggested by STAR Ghana are governance, staffing, programme development, administrative systems and marketing/community awareness. The overlaps with USAID’s index also evidently point to a common understanding of certain factors necessary to move towards sustainability.

Consulting firms focused on the work of non-profits, such as New Level Group and TCC Group suggest a number of formulas for sustainability which encompass effective leadership, financial adaptability, programme capacity, engaged board of directors, clear and compelling vision, good communication and marketing strategies. Some western development scholars like Duke VanSant, pointed that for him, three factors are most crucial for organisational sustainability, those being organisational autonomy, organisational learning and leadership.

On a conference organised by WACSI, a number of CSOs from West Africa have identified relevance, legitimacy, funding and adaptation to changing environment, as some of the main challenges and concerns they face when thinking about sustainability.

Charles Kojo Vandyck, Capacity Building Officer at WACSI puts emphasis on capacity building as an “effective fertiliser” for civil society to develop into a “healthy resilient sector that makes a sustainable contribution to development in the region”. Health and resilience are precisely what I consider important in defining sustainability of an organisation as well. Is it resilient enough to maintain its programmes in spite of major funding withdrawals? Is the staff building enough skills to be able to act and react to constantly changing conditions within the country, economy, policies or its constituencies? An important link that Vandyck brings forward is the one between “doing and being” where the focus of a lot of organisations in West Africa has been on struggling to maintain programmes active rather than thinking about the long term existence and strengthening of the programmes. It was however evident that those who have also focused on strengthening their organisational capacity have been more effective and influential.

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36 "Sustainability Support for CSOs.”
41 Ibid.
42 Ibid.
43 Ibid.
It is important to consider how the different factors I analyse are related to one another. For example, can there be service delivery effectiveness without adequate technical capacity? The factors can also be classified into internal and external i.e. some coming from the outside, such as decrease in funding availability, stricter legal conditions or change in the needs of constituencies or from within the organisation such as lack of knowledge transfer, cultivation of leadership, management, financial structures and so on.

This section outlined the complexity of sustainability as a concept and pointed to various factors that may help or hinder an organisation in achieving sustainability. It also argued that a sustainability “formula” does not exist. The section suggested that the way in which an organisation can move towards sustainability depends on where the organisation finds itself at a particular moment and on the external conditions within which it operates.

**CONCEPT DEFINITIONS**

**Sustainability** is the ability of a civil society organisation to respond adequately to the needs of its constituents in the long run without exhausting its resources. This study selected three key components of sustainability which are financial sustainability, capacity building and relevance. All of the three components reflect the definition of sustainability. Financial sustainability means that the organisation has a stable source of funding for its operations and is not highly donor dependent. Capacity building refers to improving an organisation’s ability to respond to the needs of its constituents in an adequate manner. This entails both adequately skilled staff and adequate organisational structures and systems to carry out its mission. Relevance refers to the extent to which an organisation is responding to the needs of its constituents and is fulfilling its mission. I chose these three factors after conducting preliminary research and interviews, and after looking at various surveys on the state of civil society in Ghana. I found those three issues among the most mentioned and of the highest concern for civil society organisations and donors alike. Examining those three in depth and understanding the core of the problem would bring the most value to CSOs and other actors and potentially generate solutions and new ideas on how to tackle these concerns.

While a **CSO** can encompass a range of organisations from labor unions and associations of professionals to faith based organisations, community based organisations (CBOs) and non-governmental organisations, this study will have a more limited definition including only NGOs, CBOs and networks/coalitions. The definition is limited because the study only gathered data from NGOs, CBOs and networks/coalitions. Constraints, which will be discussed in the methods section, did not allow the study to reach other types of civil society organisations.

**Donor organisation** for the purpose of this study includes development partners, multi-donor pool funds and international NGOs who allocate funding to local NGOs for projects.

**SUSTAINABILITY IN THE GHANAIAN CONTEXT: OVERVIEW OF THE STATE OF CIVIL SOCIETY**

**Brief historical background to civil society development in Ghana**

Civil society had been present and active in Ghana before the colonial times. The earliest recorded civil society in Ghana was in the form of groups known in Twi as ‘asafo’ and ‘nnoboa’
that served for defense of villages, looking for relatives and helping in agriculture activities.\textsuperscript{44} Women’s groups existed as well, and they “had a long experience of organisation and association in a variety of activities”\textsuperscript{45}. During the colonial times, civil society mostly included groups working to protect the rights of indigenous people against possible violations by the colonial British rule. In the period between the two world wars, increased economic activity also saw an increase in the number of civil society organisations such as those of indigenous cocoa producers. The cocoa producers, together with a group of ‘intelligentsia’ - the United Gold Coast Convention and coalitions of young men - played a big role in leading Ghana to independence in 1957. During Kwame Nkrumah’s time, most of the organisations were integrated into the party with his party members controlling most of those organisations and taking key positions within them.\textsuperscript{46}

Throughout the 1980s the work of civil society was hindered by Rawlings’ regime. The relationship between CSOs and the government was one of mistrust and suspicion.\textsuperscript{47} Civil society at the time was active as an opposition movement to the regime\textsuperscript{48}. This was true in the late 1970s and early 1980s\textsuperscript{49}. Later on, attempts to control civil society were done through various means from controlling access to resources to enlisting them through the Ghana Association of Private Voluntary Organisations (GAPVOD) membership.

The 1990s became a much better environment for civil society in Ghana. Apart from traditional CSOs that mostly worked on service provision, new “policy think-tanks” were formed which stimulated dialogue on national policy issues.\textsuperscript{50} In 1997, civil society formed a Civil Society Coordinating Council (CivicoS) to represent civil society in the Structural Adjustment Participatory Review Initiative (SAPRI). In 2005, the Growth and Poverty Forum (GPF), a network of CSOs, made significant contributions to the Ghana Poverty Reduction Strategy (GPRS) II.\textsuperscript{51} The NGO Coalition on Domestic Violence Bill (DVB) made a significant contribution to passing the bill in 2007.\textsuperscript{52} Among other successes of CSOs are the Disability Act which became law in 2006, prevention of privatization of water in 2004 and various forms of service provision, advocacy and representation up to date.

As previous examples point, the civil society sector between the 1990s and 2000s saw growth in both the number and variety of organisations. Democratization and changes in governance and policymaking processes created more space for CSOs to operate as they were no longer restrained by different military regimes’ policies. In addition to that, “economic growth has opened up the economy and created the need for CSOs in new areas”\textsuperscript{53}. Furthermore, during the 1990s there was a significant interest of Western governments to fund civil society in Africa with the goal of promoting democratization.\textsuperscript{54} Since Ghana was just moving away from military regimes towards democracy and “embracing open governments and open economy in
productive ‘partnership’ with the West” they were one of the key countries for investment in civil society by western donors.

**Current challenges of Ghanaian CSOs**

While civil society organisations had and continue to have many accomplishments, challenges still remain. This section looks at the most recent research on the state of civil society in Ghana and outlines the key challenges different organisations face. A comprehensive study commissioned by STAR-Ghana to learn more about the state of civil society suggests that the capacity and sustainability of CSOs is obstructed by poor staff strength and small budgets despite increases in funding in the period of 2007-2012. They also found that only 6.9% of organisations interviewed considered themselves financially sustainable with a significant number of CSOs stating they were not funded at the time of the research.

Research conducted by CIVICUS, WACSI and the Ghana Anti-Corruption Coalition in 2013 suggests a high dependency of CSOs on monetary support from outside the country and a high level of competition for funding among CSOs which creates a barrier to cooperation. Furthermore, the study suggested that Ghanaian CSOs are mostly accountable to their donors and not to their constituents/citizens. Ghanaian CSOs also identified a number of challenges they face in their work. In a meeting of the Global Partnership for Social Accountability - a programme of the World Bank Group (WB) aimed at building capacity of civil society - held in 2012, Ghanaian and other West African CSOs also identified lack of accountability to the people, poor self-regulations, lack of resources and lack of knowledge and skills as some of the key challenges in their work.

**METHODS**

The primary method used in this study was in-depth face to face interviews with CSOs’ staff members and donor organisations’ staff members. I designed two questionnaires to guide the interviews, one for CSOs’ staff members and one for donor organisations’ staff members. They had twenty nine (29) and sixteen (16) questions respectively. The questionnaires covered three thematic areas, financial sustainability, capacity building and relevance. I met a total of 21 organisations and one independent advisor for civil society organisations. All of the organisations were located in the Greater Accra region. Organisations were selected by two methods. First, snowballing effect was used to gather a list of donor organisations and civil society organisations. Contacts immediately available and provided by the Research and Documentation Officer of WACSI were used to start off the interview process. Later on, the rest of the organisations were identified ensuring that representation of different thematic areas was achieved.

First, thematic areas were identified and categorised as follows:

- Human rights and democracy
- Women and gender issues

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55 Ibid.p.2
56 Ibid.
57 Dzodzi Tsikata, Maame Gwekye-Jandoh and Martin Hushie, *Political Economy Analysis (PEA) of Civil Society in Ghana*.
58 Ibid.
59 West Africa Civil Society Institute, Civicus, Ghana Anti-Corruption Coalition, *The State of Civil Society in Ghana: An Assessment CIVICUS Civil Society Index- Rapid Assessment (CSI-RA)*.
Apart from different thematic areas, organisations were also selected carefully to include different types of organisations ranging from policy/think tank organisations, service delivery organisations, networks and coalitions (coordination organisations) and international organisations. This was done in order to get as much of a variety and adequately represent a complex civil society existing in Ghana. In addition, variety provides insights about different types of challenges that different types of organisations face. To obtain contact information of different organisations, I used two online directories, WACSI’s e-directory of CSOs in Ghana and Wishes Alliance CSO directory.

Organisations were then contacted to arrange interviews. Each interview lasted between 30 minutes and 1 hour. Responses to questions were written down. Lastly, responses were analyzed and patterns identified are presented in the report.

The main constraints to the research included the lack of an accurate and up-to-date directory of civil society organisations, the short time allocated to the research project which led to a limited number of CSOs interviewed and the lack of timely responses from CSOs. Unfamiliarity of the researcher with the physical terrain (Greater Accra Region) and locations of different CSOs as well as slight challenges with understanding the language played an important role. It is useful to note that even one of the most recent directories of CSOs in Ghana done by the Wishes Alliance organisation, and which contains a list of around 1000 CSOs, can only guarantee accuracy of information for 64 of them.

RESULTS AND FINDINGS

Financial sustainability

Financial sustainability is one of the key topics addressed in this research and generally rarely left out of conversations concerning sustainability. Funding may not be the most important factor for CSOs but it is a factor that enables organisations to carry out projects and programmes and put their missions and visions in practice. It also can boost or hinder sustainability both on the organisational level as well as on the project level. While this report does not discuss project level sustainability, pausing or ending a project or a programme early due to lack of funding happens often and leaves no long term positive impact on the communities in which it is implemented. On an organisational level, funding is linked to both capacity and relevance, the other two core sustainability components. A stable source of funds enables more opportunities for capacity building activities ranging from trainings for staff to building better structures within the organisation, having better staff retention and more efficient service delivery. A stable source of funding enables organisational growth.

To understand financial sustainability, it is first necessary to understand how funding is obtained. Some of the sources for CSOs in Ghana are individual giving, the private sector, government, multilateral donors, bilateral donors, international NGOs, grant making foundations, basket/intermediary funds, membership fees, internal generating of funds, research, training and others. All these options are utilised to a different extent. While no

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West Africa Civil Society Institute, Civicus, Ghana Anti-Corruption Coalition, *The State of Civil Society in Ghana: An Assessment CIVICUS Civil Society Index- Rapid Assessment (CSI-RA)*.

Dzodzi Tsikata, Maame Gyekeye-Jandoh and Martin Hushie, *Political Economy Analysis (PEA) of Civil Society in Ghana*. 

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accurate data is available on how many CSOs engage in each form of funding acquirement, research done up to date suggests that CSOs mostly depend on donor sources to finance their work\(^{62}\). Donor sources include multilateral donors, bilateral donors, international NGOs, intermediary basket funds and private business foundations which I found to be the least considered by the CSOs interviewed.

While there is no reliable data on how much funding goes to Ghanaian CSOs per year and from which sources, we can see for example, how much OECD members’ overall funding goes to one part of civil society, NGOs. OECD-DAC members provide some data on funding for NGOs and while these represent only a part of CSOs, understanding how much funding goes to them and how that changes across time may give a vague idea of funding flows from outside into Ghana. Below is a graph that shows changing trends in NGO financing from 2007-2012.

![Graph: NGO funding as a part of total ODA](data.png)

The fluctuations in funding from year to year only speak to constantly changing circumstances and unpredictable funding. This stresses the need to focus on financial sustainability and independence of CSOs in Ghana.

**Civil society perspectives on financial sustainability: left behind in the competition for funding**

A great majority of CSOs interviewed for this research stated that the main way they obtained funding was by responding to calls for proposals. While this was a primary source of funding for most, I found that bigger organisations (coalitions and NGOs that have existed for a long time) had more diversified sources of funding such as multiple donors, or membership fees while the smaller ones, lived on a project-to-project basis.

The Financial Officer from Nimba Community Support Services (NIMCOSS), a community based organisation in Accra, explained that it is not unusual for their organisation to stop running completely during certain periods when funding for one project is ending and they did not manage to acquire funding for the next project. A similar situation happened with Youth for

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\(^{62}\) Ibid.
Peace in Africa (YFPA), another local NGO in Accra. Other organisations similar in size also expressed concern about difficulty in obtaining funding in comparison to bigger and more well-known organisations. Foundation for Health, Education, Development Growth Enterprise (HEDGE) and Ghana Women’s Voices (GWV) both thought that STAR-Ghana or other big donors, give priority to large organisations with whom they had partnered in the past, leaving small organisations outside of this circle. Executive Director of HEDGE stated that “development partners set requirements for grants that smaller organisations cannot meet”. “They don’t have the capacity and don’t stand a chance against international NGOs and bigger organisations”, she explained. Both saw international NGOs as competitors for the already scarce funding available.

Some of the bigger organisations like Alliance for Reproductive Health Rights (ARHR), Third World Network (TWN) and Freedom from Hunger reinforced the view of smaller organisations, explaining that their reputation and name recognition by donors helps in obtaining funding.

An overarching concern among both larger and smaller organisations was lack of core funding. Donors only fund on project basis, and sources to obtain core funding are scarce. Majority of CSOs equated financial sustainability with the ability to obtain core funding. However, when asked whether they had looked into other sources of funding I encountered some hesitation in responses. The patterns of responses ranged from concrete actions and ideas to very vague responses. Below are some of the responses from CSOs which demonstrate that there are more of vague ideas about the future than there are concrete plans or established systems for internal generation of funds.

The responses are as follows:
- “We have talked about it.”
- “We will be considering consultancy in the future.”
- “We are thinking about consultancy.”
- “We do some consultancy work once in a while.”
- “We have done some consultancy for the government but they rarely want to pay us and consider that the service should be for free.”
- “We are hoping to set up a membership platform for people to pay fees.
- “We will be looking at a few domestic funders and collaboration with the private sector.
- “We are supposed to be a non-profit.”

The range of responses leads me to conclude that interviewees heavily dependent on donors have not yet taken serious action to either generate funds internally or obtain them from non-traditional donors. When internal generation of funds was mentioned, it was almost always associated with providing consultancies. While this is one of the options, it is not the only one nor is it suitable for all different types of CSOs. This indicates that many organisations have not thought in detail about the most suitable options for generating funds independently.

There are also some examples of organisations that successfully generate funds internally, obtain them from non-traditional donors or use traditional donors that provide core funding. One of the interviewees, a Programme Officer from TWN explained that the organisation “built up a funding base for hard times through investments”. Wishes Alliance Executive Director runs a private company that funds 100% of the NGOs activities. Ghana National Educational Campaign Coalition (GNECC) has been using membership fees to finance a number of activities and is considering a creation of an endowment fund.

Interviews conducted indicate that there is almost little to no planning for the future when it comes to finances of interviewed organisations. When financial planning for the future was
raised as a question, most organisations had vague ideas of where they want to be but concrete plans and steps were lacking. This was noticeable through answers such as “we would like to increase efforts in raising funds” from the Executive Director of Gender Centre for Empowering Development (GENCED) or “we don’t know where we will get our funding next” from the Executive Director of GWV.

**Donors’ perspectives on financial sustainability: sustainability beyond core funding**

In order to better understand financial sustainability challenges of CSOs, it is important to understand the differences and overlaps in civil society’s perception of sustainability and the perception of donors. In this report, donors include some of the main development partners such as the European Commission, British High Commission Foreign and Commonwealth Office (FCO), STAR-Ghana as well as international NGO donors like IBIS-Ghana.

An overarching view among donors interviewed was that CSOs view sustainability as access to core funding. This differs from the perception of donors who see sustainability as a long term process involving structural changes within an organisation. The Programme Officer in the Governance Section of European Union Commission explained that CSOs usually talk about the need for funding the logistics which, according to donors, is already included in action funds for specific projects. The European Union Commission interviewee further explained that their organisation can only fund projects of which results are measurable. They perceived that funding logistics and core expenses does not give measurable results and therefore, will usually not be funded. The Civil Society Support Unit Manager of STAR-Ghana reinforced this point by explaining that a great number of CSOs in their applications for sustainability funds, apply for office furniture and core funding. This does not include strategies to build better financial or organisational systems to be able to generate funds better in the future or to improve on programme delivery.

This indicates a discrepancy among civil society interviewees and donor interviewees on the definition of sustainability. This discrepancy may have implications for future sustainability funding opportunities. Majority of development partners have country strategies and plans which usually guide their funding channels to a great extent. It is therefore important to examine whether priorities of civil society are aligned with priorities of development partners, and find ways in which they can be more aligned for mutual benefit. For example, the Political Officer from the British High Commission (FCO) explained that the FCO gets a country business plan from the Government of the United Kingdom every year and their funding provision is guided by that plan. However, those business plans are not accessible to the public. Such a lack of transparency leaves in obscurity the extent to which programmes and funding opportunities are relevant for the needs of CSOs’ constituencies in Ghana.

**Capacity building**

**Civil society perspectives on capacity building**

This section examined the extent to which CSOs have the capacity and are building capacity of their organisations in order to be more sustainable in the future. I have classified capacity building in two sections:

1. Technical skills
2. Organisational systems
Technical skills refer to building skills of individual staff in the organisation while organisational systems refer to improving structures for service delivery, financial systems and management systems.

Interviews found that bigger organisations engage in technical skills of staff capacity building activities only to a small extent and often informally. The Programme Officer from ARHR reported that individual skill building only happens through informal skills transfer among staff (learning from one another). Another Programme Officer from the organisation stated that “you have to take care of yourself” when it comes to building up your skill set. The Programme Officer from TWN indicated that majority of staff take individual initiatives to attend trainings, but organised initiatives are rare. Other organisations interviewed stated that individual skill capacity building does not happen and that trainings available through other organisations are usually too costly. The head of Research and Information at the Institute for Democratic Governance (IDEG) stated that IDEG normally employ staff who have the qualifications that their institution needs but they provide no extensive training due to financial issues. The Executive Director of Wishes Alliance pointed that they did not see the need for capacity building within their organisation as they had only one programme staff who was skilled to perform tasks adequately. Smaller organisations like GENCED, Ghana’s chapter of Freedom from Hunger, HEDGE, YPA, FSDA and others pointed out that their financial situation does not allow them to incur capacity building expenses.

All of the organisations interviewed stated that they do not have a separate budget for capacity building activities which indicates that there is little to no organised capacity building within the organisations. This suggests that individual skill building is not a priority for majority of the organisations interviewed because they either perceived it as not necessary or not feasible given their financial circumstances or staff size.

In terms of organisational capacity, there was a notable variety among all of the organisations interviewed. Organisations with a small number of staff members (2-4) usually have limited systems in place with the Executive Director carrying out majority of the work. Bigger organisations mostly have a functioning board of directors, a financial officer and programme officers. Only two of the organisations have reported undergoing a review of how they operate in the areas of organisational and financial management, fundraising capacity, how they respond to their constituents and other areas. These two organisations are grantees of the STAR-Ghana sustainability fund and are undergoing the review assisted by external mentors provided by STAR-Ghana. This suggests that majority of interviewed organisations have not extensively engaged in reviewing or improving their organisational capacity.

**Donors’ perspectives on capacity building**

The research also attempted to identify donors’ views on major gaps in capacity of civil society. Observations were based on donors’ reviews of proposals submitted by CSOs to receive funding for projects ranging from short-term projects to sustainability funds through STAR-Ghana. Donors also drew upon other experiences coming from direct collaboration with CSOs. The observations on capacity gaps are as follows:

1. Late submission of proposals.
2. Low quality of proposals submitted which gives the impression that CSOs are not adequately equipped to carry out the project.
3. Outputs and outcomes of the project are often not stated clearly/ lack of reporting at the outcome level.
4. Their statements are often not supported by adequate data.
5. CSOs do not mobilise to consult with donors/ do not engage nor voice their views when there are critical opportunities to do so.

Observations made suggest there is a gap between donor requirements and current capacity of various CSOs. This has implications on two levels. First, CSOs have difficulties obtaining funding that is already available due to lack of capacity to satisfy donor requirements. Second, they are perceived as not engaging enough in consultations with donors to discuss how these challenges can be overcome. There is a need for civil society to engage in deeper consultations with donors in order to influence donor priorities and state their needs.

### Relevance

Relevance is a core aspect of sustainability since it is directly related to the purpose of organisation’s existence. The main parameter for determining relevance was whether the organisation is serving its constituents’ needs.

One of the first observations was the big difference between missions and constituencies of smaller organisations in comparison to the bigger organisations interviewed. Organisations such as GENCED, YFPA, HEDGE Foundation and GWV, all had very broad missions and visions covering a variety of thematic areas. Both women’s organisations stated that their mission is women empowerment and that anything related to women falls within their mission. This gives a very small organisation with a limited number of staff members, a very large constituency. One of the main concerns with such a large constituency is whether the small staff has adequate capacity to address the variety of needs that may arise. Majority of the organisations responded saying they heavily rely on community members to implement and maintain the projects. This makes the projects more sustainable and puts them in direct contact with their constituency. However, overly relying on the community may be problematic and community capacity is not unlimited.

YFPA for example started with conflict resolution programmes for youth at its foundation and at the moment claims to engage in a great number of thematic areas ranging from reproductive health, education, poverty alleviation, HIV and others. Their Executive Director explained that the organisation is purposefully flexible so it can be eligible to apply for funding. When asked about capacity to carry our projects, she explained that they partner with CSOs who have more expertise in the necessary field.

When asked how a need is identified in a community, majority of organisations explained that they had a system to determine what the existing needs were. Those usually included some form of interviews or direct contact with community members to gather information. This informed their project planning. All of the organisations focused on service provision have used some form of interview and close contact with the community to determine what the needs are. Non-service provision organisations stated that they mostly followed the news in the policy arena so they could identify the best course of action. Apart from this, majority also stated that their projects are driven by funding available and that they tend to switch thematic areas based on which thematic area is most sponsored at a given time.

All of the organisations had some form of monitoring and evaluation mechanisms, both internal and those required by donors, to measure the impact of their projects. This is interesting when compared to donors’ perceptions that CSOs do not report at the outcome level and may indicate that standards expected by donors and those used by CSOs differ significantly.
The majority of CSOs however were unable to answer the question of how they ensure that they remain relevant. Majority explained that their organisations came about either as a branch or a project of a big international organisation, as a result of someone’s interest and passion around a particular issue/thematic area, or because of a growing need or public interest around a particular issue. This points to relevance at a foundational level but perhaps a lack of follow up on it and a lack of constant reassurance in the relevance of CSOs’ programmes.

Overall, it is clear that there is a significant effort by CSOs to learn about and serve the needs of their populations, even though projects may often be driven by funding available from donors. In addition, some organisations may have potentially attempted to make their missions and visions broad enough so they can apply for sources of funding in multiple thematic areas. Given that these organisations are usually very small, such a broad focus may give the impression that they are not adequately prepared to carry out projects.

**CONCLUSION AND RECOMMENDATIONS**

After looking at the challenges and successes of civil society in relation to sustainability, this research sees a great need for bigger autonomy and independence of civil society in Ghana. This means that civil society organisations need to be able to operate without being tied to an often unclear and unpredictable agenda of big development partners. This entails building sustainable organisations which are able to operate in the long run and successfully face difficult times and funding withdrawals. To achieve this, it is crucial that CSOs engage in planning for the future both in terms of their financing and technical capacity and also in terms of constantly reflecting on their work and ensuring that it remains relevant and important for their constituencies in a fast changing environment. By building capacity and enhancing organisational systems, CSOs will be able to better contribute to and shape the agendas of big donors and have more fruitful conversations on how to maximise the impact of civil society organisations. In that light, this research paper offers a number of broad recommendations on how CSOs can work to move towards sustainability. The research also showed that different organisations are in different stages when it comes to sustainability and the general recommendations may not be applicable to all. However, an internal review of the performance and state of CSOs could generate much insight on what the next steps towards sustainability need to be.

**Recommendations**

1. **Identify most suitable ways for your organisation to internally generate funds.**
   The research has indicated little to no financial planning for the future despite the fact that majority of CSOs were aware of dwindling core funding support. While the widely mentioned consultancy work is one way to generate funds, organisations should devise strategies most suitable for them as individual organisations in order to internally generate funds. Such strategies may range from renting out spaces they own, starting businesses to finance the work of their organisation, making strategic investments and more. The choice will depend on the current assets and skillset within the organisation as well as what the organisation sees as the most income generating activity.

2. **Focus on capacity building in the form of improving staff technical skills.**
   The research showed that capacity building in the form of technical skills has not been a focus of any CSO interviewed. Yet, lack of staff technical skills, manifested in the poorly written proposals and lack of reporting at the outcome level, have been major concerns of some of the big donors. Investing in skill building, despite financial hardships, may lead to more opportunities and increased competitiveness of some of the smaller NGOs and CBOs who stated that they are unable to satisfy donor requirements when applying for grants. Capacity building
shows itself to be a crucial and often overlooked investment as it does not only lead to improved service delivery but also a better reputation and more opportunities for growth.

3. **Generate opportunities to engage with donors and discuss sustainability as a comprehensive and measurable concept rather than as a need for core funding.**

Some of the major development partners in Ghana have pointed to the so far unproductive engagement with civil society when discussing what the needs of the sector are. While core funding is a clear need for the sector, development partners and major donors will rarely finance this due to difficulty of providing immediate results and outcomes. Thus, it is necessary for civil society to engage with major development partners and suggest sustainability programmes (similar to the one of STAR-Ghana) which can be measured more tangibly than those of core funding. It is important for civil society organisations to have a good understanding of sustainability as a concept so they can effectively push the sustainability agenda forward, generate new ideas to be more sustainable and collaborate with others in the CS sector to make the sector more sustainable as a whole.
Bibliography

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Appendix 1

List of Organisations Interviewed

<table>
<thead>
<tr>
<th>Name of Organisation</th>
<th>Person Interviewed (Name and/or Position)</th>
<th>Place of Interview</th>
</tr>
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<tbody>
<tr>
<td>Alliance for Reproductive Health Rights</td>
<td>Nii Sarpei-Programme Officer</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>British High Commission Foreign and Commonwealth Office</td>
<td>Laila Lipede-Political Officer</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>European Union Commission</td>
<td>Joseph Allan-Programme Officer (Governance Section)</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Fast Track ICT</td>
<td>Founder/Executive Director</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Foundation for Health Development Growth Enterprise</td>
<td>Executive Director</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Foundation for Sustainable Development in Africa</td>
<td>Adeline Mensah-Director of Finance and Administration</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Freedom from Hunger</td>
<td>Josephine Martei- Executive Director</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Gender Centre for Empowering Development</td>
<td>Esther Tawiah-Executive Director</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Ghana Coalition of NGOs in Health</td>
<td>Administration Officer and Programme Officer</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Ghana National Education Campaign Coalition</td>
<td>Pat Bening- Programme Officer</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Ghana Women’s Voices</td>
<td>Executive Director</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>IBIS Ghana</td>
<td>Chals Wontewe-Country Director</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Independent Consultant/Mentor</td>
<td>Adom Garthey</td>
<td>Phone Interview,</td>
</tr>
<tr>
<td>Institute for Democratic Governance</td>
<td>Kwame Ninsin- Head of Research and Information</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Nimba Community Support Services</td>
<td>Finance Officer</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>STAR-Ghana</td>
<td>Noshie Iddisah- Civil Society Support Unit Manager</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Third World Network</td>
<td>Pauline Vande-Pallen-Programme Officer (Gender Unit)</td>
<td>Accra, Ghana</td>
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<tr>
<td>Total Care Foundation</td>
<td>Executive Director</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Wishes Alliance</td>
<td>Nadia Zeine- Founder and Executive Director</td>
<td>Accra, Ghana</td>
</tr>
<tr>
<td>Youth for Peace in Africa</td>
<td>Executive Director</td>
<td>Accra, Ghana</td>
</tr>
</tbody>
</table>
Appendix 2

Interview Questions Form for CSOs

Organisation Name:
Contact:
Size (small, medium, big):
Thematic Area:
Additional Information:

Interviewee Name:
Position at the Organisation:
Contact Information:
Additional Information:

This questionnaire is a part of a research project on civil society sustainability, supported by West Africa Civil Society Institute and Open Society Institute and carried out by their intern Dragana Marinkovic. The goal of the research project is to gather knowledge on the role of sustainability in the work of civil society organisations and with this contribute to WACSI’s efforts to spread awareness and knowledge on the importance of sustainability for civil society.

Information provided to the interviewer will be used exclusively for the purposes of the research. The answers will not be linked to the name of the organisation or the interviewer but may be quoted or partially quoted in the final report anonymously.

Thank you for contributing to research on civil society in Ghana!

About the Organisation and Relevance

1. Why was the organisation set up?
2. Who is your main constituency?
3. How do you choose which activities to focus on as an organisation? Has this changed over time? OR How do you make priorities of one activity over another?
4. Do you measure effectiveness of your activities? How do you know you have achieved your objectives?
5. How do you ensure that you are relevant?
6. How do you know you are fulfilling your mission and vision?
7. How do you know your mission and vision remain relevant?
8. What are the plans regarding activities for the next five years?

**Funding**

9. How do you usually obtain funding for your organisation?
10. How do you use your funding? How is it allocated once you have received it?
11. What is most funded and least funded?
12. Have you explored different sources of funding? If yes, what kind? (Private sector, social entrepreneurship etc.) What are your attitudes towards government funding? Private sector? Social entrepreneurship?
13. How do you fund non-project related activities and needs of your organisation (“core funding”)?
14. Do you have a budget for organisational capacity building activities?
15. Do you have a financial structure (e.g. finance officer) in the organisation?
16. Something about reporting...
17. Do you have a financing plan for the organisation in the next 5 years?
18. Are you aware of donor withdrawals and how are you preparing for that?
19. What kind of funding do you receive and apply for? Restricted or unrestricted?

**Capacity Building**

20. Does your organisation engage in any skills building activities for staff?
21. How would you assess your organisation’s staff in terms of technical skills?
22. How would you assess your management structure in the organisation?
23. Do you have a functioning board?
24. Do you have enough expertise in the organisation?
25. How do you ensure organisational learning happens?
26. How would you assess the overall organisational development?

**General on Sustainability:**

27. How would you define sustainability of an organisation?
28. Have you heard of this concept before? Or something similar? If yes, where/how?
29. What do you think are the most important areas your organisation needs to focus on to ensure long term impact and to thrive in the future?
Appendix 3

Interview Questions Form for Donors

Organisation Name:
Contact:
Size (small, medium, big):
Thematic Area:
Additional Information:

Interviewee Name:
Position at the Organisation:
Contact Information:
Additional Information:

This questionnaire is a part of a research project on civil society sustainability, supported by West Africa Civil Society Institute and carried out by their intern Dragana Marinkovic. The goal of the research project is to gather knowledge on the role of sustainability in the work of civil society organisations and with this contribute to WACSI’s efforts to spread awareness and knowledge on the importance of sustainability for civil society.

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Thank you for contributing to research on civil society in Ghana!

Collaboration:
1. Can you describe briefly your Programme for civil society organisations?
2. How would you describe your partnership with civil society organisations?

Types of Funding:
3. Can you briefly describe the process for a grant application?
4. What types of organisations/projects/proposals do you choose to fund?
5. What are you least likely to fund and why?
6. How much do you get involved with the way a grantee organisation spends funds?
7. Do you sponsor “core expenses”? Why or why not?
8. Do you fund capacity building activities? If not, why and would you be willing to?
9. Would you be willing to sponsor organisations to become more sustainable? Why or why not?
10. Do you/would you be willing to support sustainability initiatives and projects of CSOs?
11. How do you envision your collaboration with CSOs in the next 5 years? (What are you most/least likely to support?)
12. To what extent do you take into consideration practices of other major donor organisations?
13. What influences your practice in funding CSOs the most?

**Sustainability General**
14. How would you define sustainability of an organisation?
15. Have you heard of this concept before? Or something similar? If yes, where/how?
16. In the view of your organisation, how do you think CSOs should think about sustainability?