NATIONAL NON-PROFIT ORGANISATION (NPO) POLICY

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FOREWORD

Government fully acknowledges and recognizes the key roles that Non-Profit Organisations (NPOs) play in service delivery, especially to the vulnerable and the excluded as well as improving accountability of public institutions.

The Non-Profit Organisation's Policy 2020, is a culmination of fragments of Policy drafts from 1993 to 2010. It provides the overall framework under which the Government will engage with NPOs and with other stakeholders as part of the country's development process.

The broad aim of the National NPO Policy is to set out a framework that provides a congenial environment for the NPO sector by enhancing their capabilities and effectiveness in the areas of service delivery, advocacy and empowerment.

The spirit of cooperation and collaboration between Government and NPOs was appropriately demonstrated during the consultative process in formulating the National NPO Policy. Various stakeholders were consulted and made their input. The overall framework for its implementation re-affirms this spirit and we now expect that the actual implementation does the same.

I would like to thank Cabinet, the Cabinet Joint Sub-Committees in Governance and Legal and Social Services, the Financial Intelligence Centre, the Ministry of Gender, Children and Social Protection and the Department of Social Welfare and NPOs for developing the Non-Profit Organisation Policy. I encourage every institution identified as key in the implementation of this policy to play their part to ensure that it is a success.

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Hon. Cynthia Mamle Morrison (MP)
Minister for Gender, Children and Social Protection

1.0 INTRODUCTION

Ghana is undergoing transformations on several fronts including, the transition to middle income country status; public and private sector reform, information and communication advancements; increasing urbanization, and several others. Undoubtedly, these changes cut across the socio-economic fiber of the development structures and have implications for governmental and Non-governmental or Non-Profit organizations (NPOs).

Non-Profit Organisations are been recognized by the government as significant partners as well as a valuable force in promoting and consolidating sustainable national development.

Government has therefore, resolved to create an enabling environment for NPOs to strive in their development agenda. Institutional and legal frameworks that outlines the rights and responsibilities of Government, NPOs and other relevant actors for improved collaboration and coordination needs to be put in place.

The Government has therefore recognized the need to work together with NPOs and other key players, including funders, other sectors of civil society, the wider public and beneficiaries themselves, to re-examine and evaluate their work, to facilitate the clarification, re-definition of their roles, accountability, and the clientele they serve to ensure they function more effectively and efficiently.

Consultations with and among relevant stakeholders to ensure effective and efficient service delivery by NPOs emphasized the need for the development of a policy and legislative framework, which would help to address many of the challenges such as the registration and regulation of NPOs, coordinating NPOs operating in one sector, collaboration among NPOs in different sectors and with other stakeholders.
These dialogues have precipitated the development of this Policy which is the first attempt to consolidating the various pieces of policy statement related to the non-profit sector.

1.1 Non-Profit Organisations in Ghana

Since the two last decades, the number of NPOs have considerably proliferated as well as the issues they address. According to the database of the Department of Social Welfare, there are 9,333 registered local and international NPOs active and operating across the country, as at May, 2020. However, there are an estimated 30,000 other organizations registered as Companies Limited by Guarantee with the Office of the Registrar that are active in the Non-for-Profit Sector. Many are involved in multi-sectoral activities, others are mono sectoral or thematic in their program focus.

Non-governmental organisations, which are civil society groups formed for public benefit increase in number daily. They operate in various fields such as health, education, agriculture, governance, community and rural development, persons with disability, women and children services and managerial assistance as well as the rehabilitation of drug addicts among others. There are also non-governmental organisations in appropriate technology and housing, water and sanitation, vocational training and youth services, as well as care for the aged and the vulnerable. These organisations play a vital role in the development of the country and as such enjoy privileges such as tax exemption and waiver. The government has an interest in the management of these organisations because of public finance and public accountability issues.

Activities of NPOs have increased since the late 1980's when major political, social and economic reforms were introduced. They operate in sectors such as the Social Protection, economy, governance, trade, gender, human rights, environment, advocacy, participatory development, information technology, finance, security, the media etc. They are broadly

categorized into service delivery, capacity building and advocacy. NPOs have been supporting government in providing education, healthcare, food security, housing, microcredit and social services for decades. These Other NPOs are actively engaged in advocacy efforts to build a stronger democracy in Ghana, to improve good governance and promote socio-economic development.

NPOs have made significant contributions in national policy-making through electioneering politics, local governance and socio-economic development. They have played a vital role in political decision-making and the most critical successes of NPOs is their contribution and influence over major public policies which include the promulgation of the National Health Insurance Act; advocacy for the passage of the Freedom of Information Act, the National Gender Policy, Ghana Social Protection Policy among others.

In addition, local and International NPOs also complement the socio-economic transformative efforts of Government in implementing sustainable development initiatives in the rural communities. To this end, a broad set of timeless principles for forging a strategic partnership for strengthening Government-NGO relations to sustain equitable development and accountable governance in Ghana was initiated. The policy document, which was endorsed by representatives of the government and NGOs in 2000, was subsequently revised in 2004.

The historic agreement between the two key actors was that the strategic partnership policy would serve as the basis for subsequent NGO legislation. Thus, in 2007 when the incumbent government attempted to enact a Trust law (2007) to serve as the consolidated legal framework for NGOs' and other non- profit organizations' operations and governance in the country, the latter protested and the process was replaced by a dialogue to draft an NGO Bill (2010) based on the strategic partnership policy.

With the growing expansion of NPOs in Ghana, it has become important to develop a policy as well as a legislation to guide their operations.

1.2 Policy Rationale

The need for Non-Profit Organisation Policy arises from both Government and stakeholder's realization that without a coherent and comprehensive overall framework for guiding the operations of different actors in the sector involved in issues that affect national development, the desired effect of the interventions would not be achieved by the interested parties. Furthermore, the exponential proliferation of Non-Profit Organizations in the country without a well-coordinated policy and regulation framework creates the opportunity for unprofessional practices and vulnerability of NPOs for abuse. In the absence of a national coordination framework, the operations of NPOs are faced with duplications, inefficiencies in the design and implementation of interventions at the national and local (Metropolitan Municipal District Assemblies) levels. Currently, there is no national policy to guide the NPOs which will enhance their collaboration, efficiency and effectiveness in the delivery of their services. There is therefore the need for a policy to provide the framework to strengthen NPO sectorial partnership for improved service delivery.

There is also the issue of multiple registration and payment of fees at different levels which creates various challenges for NPO registration and formalization. These challenges make it difficult to harness data on NPOs and their operations in the country. There is the need therefore for a legal framework to guide the registration and regulation of the NPOs.

In most developed and developing countries, NPOs financial and non-financial reporting are obligatory. However, in Ghana some NPOs do not provide annual reports (financial and non-financial) yet they continue to operate due to the absence of a national policy. Furthermore, in situations where an NPO becomes defunct, there is no policy to guide the dissolution

process which creates problems in the disposal of assets and liabilities in the sector.

A mutual evaluation undertaken by the Inter-Governmental Action Group Against Money Laundering in West Africa (GIABA), a specialised institution of ECOWAS revealed that the country does not have a Central Registration Authority for the registration and regulation of non-profit organisations; the legal regime for the supervision of non-profit organisations is limited in scope and would need to be enhanced through the adoption of legislation in accordance with international best practice; there is also limited information available on the threats posed by money laundering and terrorist financing to the non-profit organisation sector in Ghana due to the inadequacy of the supervisory and regulatory regime.

GIABA recommended that the country should enact a comprehensive legislation on non-profit organisations and implement measures to ensure that adequate, accurate and timely information is available to state authorities on the beneficial owners and control of non-profit organisations.

Given the importance of NPOs in the socio-economic and political development of the country, there is the need to regulate and enhance self-regulation, transparency and accountability of NPOs and establish modalities for interaction among NPOs and between NPOs, the State and other stakeholders.

This Policy will also ensure that policies of NPOs reflect and promote the rights of women and girls, men and boys in their work plans and operations. It is against this background that the Ministry of Gender, Children and Social Protection (MoGCSP) in collaboration with the NPO sector, initiated the process for the development of the Non-Profit Organisation Policy to respond effectively to the challenges and needs of the sector. The policy will therefore provide the justification for the development of a legislation to regulate the sector.

1.3 Policy Formulation Process

The process started with the review of an old draft developed by both government, NGOs (local and international) and other key stakeholders in 2004. A national consultative group was established to oversee the formulation of National NGO policy. The group comprised of Government Institutions, NGOs, INGOs and Development Partners. This (current) policy formulation process was implemented at both national and sub-national levels. The process was consultative and participatory and gave the opportunity to all stakeholders especially players in the NPO sector to decide on what they considered as priority policy issues that need to be addressed.

A national technical committee established by the Ministry of Gender, Children and Social Protection comprising of Government Institutions, NPOs, INPOs was tasked to lead and develop the Non-Profit Organisation Policy and Bill.

The committee undertook various consultative and review workshops which outlined the policy parameters, the approach and methodology in the preparation of the final draft of the policy. The workshops were attended by members of the technical committee, representatives of relevant government institutions, various players within the NPO sector, civil society organisations, academia and research institutions.

The consultation highlighted the need for the policy to establish NPOS to regulate and coordinate the operations of the NPO sector; drafting and passing of NPO bill to provide a legal backing to the NPO policy.

The NPO policy development process includes the following activities;

1. Interview of selected stakeholder institutions, individuals and groups
2. Focus group review meetings with key stakeholders
3. Development of a revised and comprehensive national NPO policy

4. Wide circulation of draft Policy among stakeholders
5. National validation workshop with technical committee to finalise the policy
6. Submission of policy for Cabinet approval.

1.4 Objectives of the Policy

The main objective of this National Policy is to create an enabling legal/institutional framework and deepen democratic environment for NPOs to operate independently and contribute effectively to national development.

Specifically, the Policy objectives are to:

1. Maximize the contribution of the NPO sector to the socio-economic development of the country
2. Provide an operational definition of an NPO
3. Establish a regulatory body for the NPO Sector
4. Provide a Framework for NPO Regulation and Registration
5. Promote the independence, integrity and good governance of NPOs
6. Provide oversight for Accountability and Transparency in the operations of NPOs
7. Deepen the Freedom of Association, assembly and expression of NPOs
8. Provide guidelines for dissolution of NPOs
9. Ensure more cost-effective use of resources by all NPOs and agencies involved in financing their operations.

1.5 Rights and duties of Government and NPOs

Situating the policy within the Constitution of Ghana (1992) the fundamental freedoms to Ghanaian citizens to engage in peaceful activities aimed at humanitarian response, long-term development and public policy advocacy through civic organizations is guaranteed. These rights and duties are derived from Article 21 (1) (a-e) of Chapters 5 and Article 37 (1), (2) (a) (b), and (3) of Chapter 6 of the Constitution.

The Africa Charter on Human and Peoples Rights (ACHPR) Guidelines on Freedom of Peaceful Association and Assembly adopted in May, 2017 provide valuable guidance to States, and a monitoring and accountability tool to NPOs, on the legislative protection and practical implementation of the rights to Freedom of Association and Assembly (FoAA) in Africa.

Similarly, the vision and principles of the African Peer Review Mechanism (APRM)/New Partnerships for Africa's Development (NEPAD) to which Ghana pledges, emphasize the pivotal role of civil society in sustainable national social, economic and democratic development.

Ghana is also a party to various pertinent International Conventions including the International Covenant on Civil and Political Rights (ICCPR) 1966, and the International Covenant on Economic, Social and Cultural Rights (ICESCR) 1966.

Freedom of association is similarly enshrined in the Universal Declaration of Human Rights (UDHR) of 1948 to which Ghana is a signatory.

1.6 Guiding Principles of the NPO Policy

The NPO Policy is an integral part of the national development strategy and aims at achieving maximum collaboration from Public-Private Partnerships. It seeks to complement and promote Ghana's overall development goals and is mindful of other policies and programs designed to promote and support an all-inclusive socio-economic development.

The Policy embraces the following values and beliefs:

i. Respect for fundamental human rights and freedoms with regard to social, cultural and religious beliefs and practices, which rights will be exercised responsibly;
ii. Freedom of association and independence of individuals and NPOs within the overall framework of the law;
iii. Voluntarism and respect for diversity within the NPO sector;
iv. The right and management of NPOs are consistent with the laws of Ghana;

v. Strengthening partnerships for development;
vi. Dignity, mutual respect and trust underpinned by open dialogue, transparency and accountability; and
vii. Gender equity and equality.

The Policy recognizes the immense opportunities for collaboration between different stakeholders based on common interest and strategic complementarity while acknowledging the right of stakeholders to adopt differentiated approaches to the same end.

The Policy further recognizes the dynamic nature of the operating environment and, thus, the need to provide sufficient flexibility to accommodate emerging developments and demands.

2.0 LEGAL FRAMEWORK

2.1 Definition, Nature and Classification of NPO

A Non-Profit Organisation is a not-for-profit, non-governmental legal person or association or organisation voluntarily established, that primarily engages in mobilising and use resources for purposes such as charitable, religious, cultural, educational, social or communal purposes or for carrying out of other types of not for profit purposes and public good in the public interest.

A Non-Profit Organisation shall be independent of government and of the private sector and shall have its status recognised by the Government at all times, provided that the organisation shall operate within the law.

Any organization that is engaged in NPO activities as defined above shall be required to comply with the provisions governing the activities of NPOs in Ghana. This includes; non-governmental, faith-based NPOs, associations and philanthropic organisations.

A non-profit organisation may be local or regional, national or international, membership or non-membership based.

2.2 Registration and Licensure

Registration is the process of incorporating an organisation with the Registrar of Companies as Companies Limited by Guarantee as per the Companies Act, 2019, (Act 992).

Licensure is the process by which the Non - Profit Organisation Secretariat (NPOS) grants an organisation authorization to operate as an NPO.

Organisations seeking to be recognized and documented as an NPO and operate as such shall:

a. Register with the Office of the Registrar as Company Limited by Guarantee as per Companies Act, 2019 (Act 992).
b. Apply for Licensing from the NPOS.
c. A licensed NPOs shall submit an annual audited financial statement Three (3) months after the expiration of the financial year.

Licensing with the NPOS will qualify an NPO to access government benefits if the NPO:

i. has operated for a minimum of twelve months.
ii. Submits audited annual financial statement and reports Three (3) months after the

expiration of the financial year) on its activities to the NPOS.

iii. Submits updates on the above items whenever changes occur.

There shall be two-stage licensing process:

a. Community Base Organisations (CBOs) and grass root Oganisations shall register with the MMDAs within their jurisdiction and pay the approved fees and charges as authorized by the assembly.

   All MMDAs shall keep a register of all registered CBOs and grassroot organization in their jurisdiction and submit annual report to the NPOS.

b. All other NPOs shall register with the NPOS after registering with the Office of the Registrar and pay the approved fee as authorized by the NPOS.

c. The NPOS shall have a register of the beneficial owners, Board Members and Directors of the registered NPOs including their bio data.

Penalty

An organization or institution that fails to register and or apply for a license shall be closed down or subjected to a fine as determine by the NPOS or the NPO Act.

2.3 Taxation, Exemption, Visa and Work Permit

Registered NPOs qualify for privileges such as tax relief and exemptions as the tax laws may provide from time to time. Such privileges may be granted by the State as indirect funding aimed at lowering the transaction costs of NPOs. Applications for exemption shall be made to the Relevant State Agency through the NPOS and the responsible sector Ministry.

The NPOS will be responsible for recommending to the appropriate State agencies approval for:

- Work/resident permit,
- Recommendation to Embassies,
- Exemptions from customs duties and related taxes on basic goods imported by NPOs,
- Facilitate their operations including humanitarian services,
- Any other benefit as approved by the government.

2.4 Funding

The NPOs will be autonomous and shall have the right to mobilise resources from domestic and foreign organisations/entities, including individuals, businesses and private foundations.

2.5 Sustainability of the NPO Sector

There are existing inadequacies in the institutional and operational capacities of the NPO Sector in the country. NPOs are largely donor dependent especially in respect to funding. It is imperative that stakeholders identify and promote strategies to strengthen the institutional and operational sustainability of NPOs in the long-term.

In recognition of the complementary and beneficial role and contribution of NPOs to the various spheres of national and community development, it is important Government and NPOS explore innovative measures to support NPOs such as extending tax exemptions/ rebates and other appropriate benefits designed to mitigate some of the financial constraints faced by NPOs.

Government shall continue to work with other stakeholders including the development partners to enhance access to resources by NPO actors and ensure that there is an enabling environment to facilitate the strengthening and sustainability of NPOs. This includes enabling local philanthropy to develop and thrive to support the activities of NPOs generally and particularly in the social justice, social protection and social accountability sectors.

2.6 Obligations of NPOs

A Non-Profit Organisation shall:

a. have a clear mission statement, outlining its purpose, objectives, target beneficiaries and constitution, which should be in conformity with national development policies;

b. have an easily identifiable office, an accessible postal address, a bank account in the organisation's name with at least two signatories and the names of their donors, beneficial owners, directors and external auditors;
c. have a clearly delineated administrative structure and transparent accounting system that is auditable and from which annual accounts can be compiled for audit;
d. present a copy of the audited statement of account of the year;
e. share activity-related reports with the Government, other relevant organisations, beneficiaries and any other interested parties;
f. have a governing board or its equivalent policy making body;
g. in the case of a foreign organisation, submit copies of the certificate of registration of its parent body with the relevant authority to operate in the country;
h. collaborate with all domestic and foreign competent authorities in the investigation, prosecution and sharing of information in compliance with the Anti-Money Laundering Act, 2008 (Act 749), as amended;
i. keep all records relevant to the operations of the NPO for a period of not less than five (5) years in accordance with the Anti-Money Laundering Act, 2008 (Act 749), as amended;
j. provide for the disposal of its assets upon dissolution as per the Company Act, 2019, (Act 992).

3.0 INSTITUTIONAL ARRANGEMENT FOR NPO POLICY

3.1 Implementation

The multidimensional nature of the operations of Non-Profit Organisations and the strategies contained in this document require a well-coordinated effort and commitment of all government and non-governmental actors.

To achieve the objective of this Policy, Government will create a coherent institutional framework to enhance the operations of NPOs at the National and local (MMDA) levels. A Non-Profit Organisation Secretariat (NPOS) will be created under the Ministry responsible for Gender, Children and Social Protection to facilitate the coordination, monitoring and evaluation of the implementation of this policy.

3.2 The Role of Government

1. Government has the responsibility to create a conducive environment (policy, legislation and guidelines) for the NPOs sector.
2. Government shall promote NPOs' participation in policy and programs formulation, implementation, and ensure that NPO inputs are adequately mainstreamed into national development framework and regulation strategies.
3. The Government may provide support to organisations, in the form of duty waivers, tax allowances and any other facilities to enable them develop, reinforce and sustain their organisational capacity for more effective delivery of service.

4. The Government shall facilitate partnerships between international and local NPOs in the implementation of programmes nationwide to encourage collaboration
5. Government has the responsibility to resource the Secretariat to function effectively and efficiently.

Government has the responsibility to create conducive environment for the NPO sector. The Government must ensure that the concerns of the NPOs are adequately mainstreamed into national development frameworks and regulation strategies. In this context, implementation of the NPO Policy would require that all government agencies will consciously incorporate in their policies and programmes, the relevant policy directives, guidelines and strategies that will enable NPOs to adequately deliver on their mandate.

The Government therefore recognises the need to work together with NPOs and the need for such cooperation to extend to other key players, including funders, beneficiaries themselves, other sectors of civil society and the wider public. Over the years, NPOs have themselves been re-examining and evaluating their work, re-defining their roles, whom they serve and are accountable to, and endeavouring to function more effectively and efficiently.

The Government and other stakeholders recognize the fact that at this point of our development process, NPOs are partners in development and that an enabling environment need to be put in place for them to operate and thrive. Thus, there is the need for an enabling policy, legislative and institutional framework that outlines the rights and responsibilities of both NPOs and government for improved collaboration and coordination in the socio-economic development of the country.

3.3 The Role of Ministry of Gender Children and Social Protection

The sector Ministry will have oversight responsibility of the NPOS who will have the responsibility for providing information on registration, licensing, planning and budgeting. MOGCSP will also make sure relevant information on NPOs are made available to all other government, private, academic and research, and non-government agencies for policy research and planning and for the improvement of the NPO sector. The Ministry will accordingly, ensure that the human resource requirements for formulating and monitoring policies and programmes on NPOs are provided.

3.4 The Role of the Non-Profit Organisation Secretariat (NPOS)

The discharge of this responsibility will require the establishment of an effective and functional National NPO Secretariat which will be responsible for the implementation of the Policy. Licensing, Monitoring and Evaluation.

The NPOS will establish an effective coordinating mechanism that will facilitate durable partnerships with the NPO community taking into consideration national and international stakeholders to explore and utilize best practices in the implementation, monitoring and evaluation of the policy. The NPOS will establish national implementation standards and work closely with District Assemblies to deliver quality services in the districts and communities.

3.5 The Role of Ministry of Local Government and Rural Development and MMDAs (put it after role of government)

The Ministry of Local Government and Rural Development (MLGRD) will ensure that Metropolitan, Municipal and District Assemblies (MMDAs) take appropriate measures to implement the various relevant policy interventions. The implementation of the policy will be decentralised and the Department of Social Welfare and Community Development (DSWCD) in MMDAs will serve as the local focal implementing Department. Specifically, the Ministry in collaboration with the Office of the Head of Local Government Service (OHLGS) will

ensure that NPO activities and investments at MMDA levels are regulated.

3.6 The Role of NGOs and Civil Society Organisation

Non-Profit Organizations continue to play a major role in the implementation of development programmes in Ghana, most especially in rural and semi-urban areas. Government will continue to recognise the immense contribution of NPOs in the socio-economic development of the country.

In recent times, NPOs have assumed greater importance in providing policy inputs to shape government development policies and have effectively engaged government on a number of topical national issues through policy dialogues. In accordance with this background, Government expects NPOs and civil society to refocus their priorities, roles and actions to further support the achievement of the objectives of the NPO Policy.
NPOs in addition to the important advocacy role that they play will be expected to form a Peer Review Body to strengthen accountability and transparency expressed in codes of conduct, ethics and good practices.

3.7 NPOs Peer Review Framework

The NPOs are to establish a National platform to strengthen their peer review mechanism, coordination and participation in national policymaking dialogues as well as consider the following:

- Develop effective working relationships with the NPOS
- Frame a code of conduct and quality standards to enhance peer review by NPOs
- •Build their organisational and technical capacity to influence national development policymaking and implementation
- Strengthen dialogue and regular interactions between NPOs and other stakeholders at all levels of national and local governance.

3.8 Non – Profit Organisation Secretariat (NPOS)

With the objective to create an enabling legal and institutional environment for NPOs, Government will create a coherent institutional framework to enhance the operations of NPOs at the National, Regional and MMDA levels and improve the monitoring and co-ordination of the participation of NPOs in national development.

A Non - Profit Organisation Secretariat (NPOS) shall be established under the Ministry of Gender, Children and Social Protection and will be responsible for the implementation of the national policy in strategic partnership with NPOs.

The NPOS shall have a Governing body, the Board. The Board shall consist of;

a. a Chairperson appointed by the President
b. one representative (not below the rank of a Director) from
    i. the sector Ministry responsible for NPOs;
    ii. the Ministry responsible for Finance;
    iii. the Office of the registrar of companies;
    iv. the Ministry responsible for Local Government and Rural Development;
    v. the Office of the Attorney General;
    vi. the Ministry responsible for Health or Education (these sector Ministries shall serve on the Board on rotational basis).
c. Three members including a female and a Person with Disability nominated to represent the Non-Profit Organisations. The National NPO Forum shall nominate its representative for appointment by the President.

(2) The Executive Secretary of the Secretariat shall be a member of the Board and a Secretary to the Secretariat.
(3) The members of the Board shall be nominated by the Head of Institutions and appointed by the President in accordance with article 70 of the Constitution.

3.9 Functions of the Board

1. The Board shall ensure the implementation of policies formulated by the Sector Ministry necessary for the achievement of the object of the NPOS and advise the Minister on policy and the promotion of the non-profit sector;
2. The Board shall ensure the proper and effective performance of the functions of the NPOS
3. Advise the Sector Minister on NPO matters and submit proposals for policy making and appropriate legislation on NPOs.
4. Approve guidelines and strategic plans for the governance of NPOs operations
5. The Board may establish committees consisting of members and or non-members or both to perform a function.

3.10 The NPO Secretariat.

The NPOS to be established would be headed by a Director assigned by the Chief Director of the sector Ministry and assisted by qualified personnel assigned to the Secretariat by the Chief Director. The sector Ministry shall provide orientation and skills training for the NPOS Staff. NPOs shall submit to the NPO Secretariat annual operational reports and audited financial statements about their activities and financial statement. CBO shall submit annual operational report and annual financial report.

3.11 Regional Offices of the NPOS

(1) A regional office shall be provided with public officers.
(2) A regional office shall perform the functions of the NPO Secretariat in the region as directed by the Head of the Secretariat.

District Office

1. Register CBOs
2. Monitor activities of CBOs in order to ensure observance of the provision of this policy
3. Ensure the promotion of CBOs in the public interest and the observance of high standards of accountability, transparency and compliance with the law
4. Liaise between CBOs and the NPO Secretariat
5. Perform other functions related to the object of this Policy.

3.12 Funding of the NPO Secretariat

The NPO Secretariat would be funded mainly through

- Annual GOG budget to the Sector Ministry
- Internally Generated Fund (IGF) through registration, renewal of NPOs and other services rendered by the Secretariat
- Grants from development partners, private sector and other stakeholders.

3.13 Functions of the NPO Secretariat

The NPOS shall;

a. advise the Sector Minister on policy and the promotion of the non-profit sector;
b. license NPOs;
c. establish standards, guidelines and codes of practice for NPOs;
d. administer the Non-Profit Organisations Fund;
e. monitor the activities of NPOs in order to ensure observance of the provisions of this Policy;
f. ensure the promotion of NPOs in the public interest and the observance of high standards of accountability, transparency and compliance with law;
g. liaise between NPOs and the government;
h. perform other functions related to the object of the Policy.

3.14 Relationship between the NPOS and the Sector Ministry

In the performance of its functions the NPOS shall work closely under the sector Ministry responsible for NPOs. It shall submit quarterly reports to the Ministry on its activities.

The NPOS shall also submit to the sector ministry an updated list of licensed NPOs on a quarterly basis. On the whole the sector ministry shall perform the role of representing the interest of NPOs at the level of the legislature, the cabinet and other inter-ministerial and inter-governmental forums.

The sector ministry shall:

- Facilitate the creation of the NPOS
- Support the NPOS to oversee the implementation of the national policy
- Initiate and promote the enactment of legislation to facilitate the effective functioning of the NPOS
- Mobilise complementary donor funding for the NPOS
- Collaborate with the Ministry of Finance and the State's revenue agencies to ensure smooth implementation of taxation and funding policies applicable to NPOs.

4.0 MECHANISMS FOR POLICY IMPLEMENTATION

This section of the Policy embodies (i) the implementation approach, (ii) monitoring and evaluation of the implementation plan (iii) review and revision of the national NPO policy, (iv) funding and (v) safeguarding the integrity of NPO operations. The implementation modalities define the various methods to deliver on the objectives of the policy and provide step-by-step activities to be followed in the implementation action plan of this policy.

4.1 Implementation Approach

In implementing the NPO Policy, it is necessary to undertake a nation-wide sensitization exercise to explain the rationale for the policy, benefits that the sector especially the NPOs and the general population should expect and the real opportunities that the policy offers in terms of NPOs contribution to the socio-economic development of the country. Specific, target groups for the sensitisation exercise will include Ministries, Departments and Agencies, MMDAs, the NPO community, development partners, the private sector, social partners, the media, academic and research institutions. The approach for implementing this policy will be participatory, consultative and will require the development and execution of an NPO national policy implementation action plan to guide the implementation process.

4.2 Monitoring and Evaluation of the Implementation Delivery

Ghana has rich experience of implementing and monitoring various programmes jointly with NPOs and development partners. An elaborate participatory and evidence-based M & E system will be developed and implemented to ensure that the arrangement is all-inclusive and all inputs, processes and outcomes of implementation are adequately tracked, and the required feedback provided and utilised. Monitoring and Evaluation (M & E) of the NPO Policy will be embarked on at various levels and through the collaboration of Government, the NGOs, Civil Society Organisations, academic and research institutions.

The stakeholders within the NPO community will be encouraged to establish their own monitoring and evaluation mechanisms as part of the overall M & E system to enable them adequately evaluate progress of implementation of the NPO Policy and also ascertain how development partners are contributing to the socio-economic development of the country.

The NPOS will be strengthened to establish the required structures, processes, systems and human resource base to enable it perform its role efficiently and effectively. Following detailed analysis of data on progress of

implementation of the policy, quarterly M & E reports will be issued by NPOS to guide the work of the NPO Secretariat and other stakeholders involved in the implementation of the policy. M & E reports will also be issued annually by the Sector Ministry.

4.3 Review of the NPO Policy

The NPO Policy will be reviewed after every Five (5) years or when the urgency arises to respond to emerging issues which would have a strategic impact on the sector. The Programmes and projects which will be developed and implemented from the policy will also be reviewed frequently taking into account feedback from monitoring and evaluation reports. Major reviews will be undertaken regularly to ensure consistency with the implementation of the National Development Planning Commission (NDPC) planning and budgeting processes. The Policy Planning, Monitoring and Evaluation Directorate of the Sector Ministry in collaboration with the NPOS will be responsible for the reviews and revision of the policy and the sector Minister will advise the Cabinet Oversight Committee on NPOs accordingly.

4.4 Funding of Implementation Activities

The Government has the main responsibility for ensuring effective and the efficient operationalization of the NPO Policy. To this end, the policy envisages adequate provision of funding for the NPOS in the national budget. The NPOS planning and budgeting shall therefore be integrated into the annual budgeting and performance management frameworks of the Sector Ministry.

4.5 Safe Guarding the Integrity of NPO Operations

4.5.1 Anti-Money Laundering and Countering the Financing of Terrorism (AML/TF) Obligations

Protecting NPOs from terrorist financing abuse is both a critical component of the global fight against terrorism and a necessary step to preserve the integrity of NPOs and the donor community in order for NPOs to continue their important work. Since not all NPOs pose a risk, the government will identify the subset of organisations that fall within the FATF definition of NPO, and which are vulnerable to terrorist financing abuse.

For purposes of this section, an NPO is defined as "A legal person or arrangement or organisation that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of good works."

The Policy seeks to ensure that measures to protect NPOs from potential terrorist financing abuse are put in place, that these measures are targeted, and in line with the risk-based approach. The Policy further seeks to ensure that such measures are implemented in a manner that respects the government's obligations under international law.

To achieve these objectives, the NPOS will, in consistent with international law obligations and in line with FATF Recommendations:

i. Periodically conduct a risk assessment of the NPO sector or update existing ones to determine the NPOs which, by virtue of their activities or characteristics, are likely to be vulnerable to terrorist financing;
ii. Employ a risk-based approach applying focused measures to deal with identified threats of terrorist financing abuse on the subset of NPOs found to be vulnerable through the risk assessment of the NPO sector;
iii. Ensure that the measures adopted are effective and proportionate and that they are commensurate to the risks identified through a risk-based approach;
iv. Ensure that measures that are implemented do not disrupt or discourage legitimate charitable activities; and

v. Work cooperatively with the non-profit sector in order to prevent abuse of NPOs, while respecting human rights and fundamental freedoms.

In identifying, preventing and combating terrorist financing abuse of vulnerable NPOs, the government will base its approach on the following elements:

a. adopt clear policies to promote accountability, integrity, and public confidence in the administration and management of NPOs;
b. undertake outreach and educational programmes to raise and deepen awareness among NPOs as well as the donor community about the potential vulnerabilities of NPOs to terrorist financing abuse and terrorist financing risks, and the measures that NPOs can take to protect themselves against such abuse;
c. work with NPOs to develop and refine best practices to address terrorist financing risk and vulnerabilities and thus protect them from terrorist financing abuse;
d. take steps to promote effective supervision of applying risk-based measures to NPOs that are at risk of terrorist financing abuse;
e. wherever possible, use existing mechanisms to mitigate the risk, such as through banking laws and criminal laws that prohibit acts of terrorism; and
f. ensure effective co-operation, co-ordination and information-sharing among competent authorities including the Financial Intelligence Centre, Law Enforcement Agencies and other foreign counterparts with similar functions.

4.5.2 Transparency, Accountability and Peer Review

The growing number and diversity of NPOs in the country present a great challenge in terms of ensuring that all NPO actors exercise responsible and accountable behavior that protects the basic interests of the different NPO Sector stakeholders, especially the vulnerable segments of society.

In seeking to promote and institutionalise best practices in NPO Sector development and operations, the NPO community must develop mechanisms for peer review. These efforts aim at promoting the adherence by NPOs to generally accepted ethical standards and operational norms.
Application of the Peer Review mechanism, if effectively applied by all NPOs is the most cost-effective means of fostering discipline and benchmarking quality assurance by sector stakeholders. To this end, therefore, the NPOS shall encourage and support self-regulatory mechanisms.

The overall aim in this respect is to ensure the promotion of high and generally acceptable ethical standards and operational norms that, inter alia, protect the interests of all stakeholders, especially the communities served by NPOs. It is the desire of this Policy that all NPOs in the country recognize the value of institutionalizing ethical and responsible behavior.

5.0 CONCLUSION

It is envisaged that this policy responds to the fundamental transformation of the systems, processes and organizational orientation necessary at the NPO sector. Steps will be taken to ensure that the institutional frameworks and the implementation strategies envisions in this policy is fully operational when accented. The effect of this Policy goes beyond the NPO sector under to the communities in which and households in need of care and protection. Therefore, Government produced this policy to fashion opportunity for the NPOs to operate within their optimum capacities for the betterment of the citizen and the state as a whole.