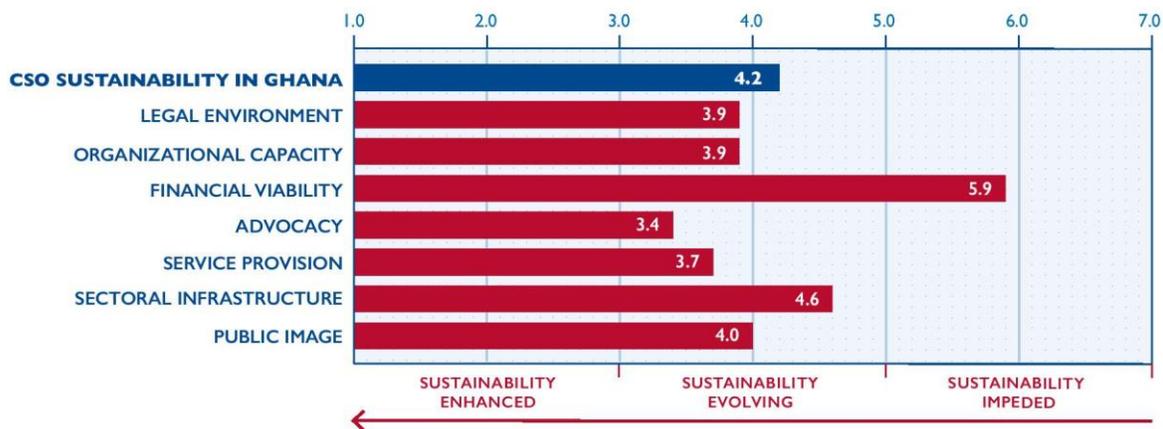


OVERALL CSO SUSTAINABILITY: 4.2



The New Patriotic Party (NPP) government elected in 2016 introduced several important political and governance reforms in 2018. First, the government concluded a new status of forces agreement with the United States, which extended cooperation between the two countries' militaries. The public had mixed reactions to the agreement, and some opposition, CSO, and faith-based leaders expressed dissatisfaction with the lack of consultation and transparency during the negotiations. Critics of the agreement were also concerned that it granted waivers on claims for damages, injury, or death caused by U.S. forces, and that the staging and deployment of U.S. troops in Ghana would encourage terrorism in the country.

Second, the president replaced the chair and deputies of Ghana's electoral commission because of interpersonal conflicts, which opened the way for improvement in the body's effectiveness. The commission oversaw a successful referendum on December 27, 2018, which resulted in the approval of six new administrative regions in the country.

Third, in accordance with the National Identification Amendment Law passed in 2017, the registration and issuance of national identity cards to all citizens commenced in 2018. However, because of controversy over the requirement that applicants present birth certificates, which many Ghanaians do not have, the mass registration of citizens was delayed until November 2018.

According to the World Bank, Ghana's economy grew by 8 percent in 2018, making it the second-fastest growing economy in Africa. Despite general macro-economic stability, however, public debt continued to rise, and revenue mobilization was difficult. At the end of the year, the International Monetary Fund (IMF) announced that Ghana's arrangement with the Extended Credit Facility would be ending in 2019, giving the government space to implement important fiscal policies but also portending possible budget deficits. CSO leaders met with IMF chief Christine Lagarde during her visit to Ghana in December to discuss, among other things, the government's fiscal responsibilities before the 2020 election.

Public corruption remained a major concern in 2018, with Ghana ranking 78 out of 180 countries in Transparency International's 2018 Corruption Perceptions Index. Major anti-corruption efforts in 2018 included an investigative exposé of corruption in football (soccer) administration and the government's establishment of the Office of the Special Prosecutor (OSP) to investigate and prosecute allegations and criminal wrongdoing by public officers and politically prominent individuals. CSOs contributed on the policy level to the government's efforts to curb corruption, including reviewing the work of OSP.

CSOs in Ghana continued to operate in a favorable climate in 2018, and overall CSO sustainability did not change. Advocacy, the strongest dimension of CSO sustainability, improved with increased high-level engagement between CSOs and the government, CSOs' mobilization of communities to participate in the referendum on the new

regions, and their intense lobbying for the passage of the Right To Information (RTI) bill. CSOs' financial viability declined, mainly because of decreases in foreign funding. The legal environment, organizational capacity, service provision, sectoral infrastructure, and public image of CSOs did not change.

At the end of 2018, 7,950 CSOs were registered with the Department of Social Development (DSD) (formerly the Department of Social Welfare), compared to 7,851 in 2017.

LEGAL ENVIRONMENT: 3.9



The legal environment for CSOs in Ghana is favorable and did not change in 2018. CSOs must register with the Registrar General as nonprofit organizations (NPOs) limited by guarantee under the Companies Code of 1963. They must then acquire a permit to operate from the DSD, which has oversight responsibility for NPOs. Most CSOs begin operations before completing the process of acquiring DSD permits, although technically this is not permissible. Although the registration process is generally smooth, the process was hampered slightly in 2018 by several new directives, including the requirement that all citizens apply for tax identification numbers, which delayed the processing of business registrations, especially outside of regional capitals. Newly registered CSOs were also ensnared by bureaucratic red tape as they sought to acquire operating

permits from the DSD, which are needed to open bank accounts.

The laws governing CSO operations in Ghana are generally supportive. The Companies Code clearly stipulates the obligations and permissible activities of CSOs. For instance, like all companies, CSOs are supposed to submit annual financial reports to the Registrar General. Most CSOs fail to do so, but no major sanctions have ever been imposed. In a change of approach in 2018, the Registrar General issued a warning to all companies to file reports or face possible sanctions, including de-listing from the registry of companies. By the end of the year, the Registrar General had yet to issue a list of delisted companies. Because of under-resourcing, the DSD also does not enforce relevant laws. For example, although CSOs are supposed to renew their operating permits annually, only 823 organizations, or about 10 percent of registered CSO, did so in 2018.

CSOs in Ghana have the right to assemble and participate in public protests and are able to debate and criticize government policies without fear of reprisal. The government does not harass CSOs. However, in 2018, some members of the media wing of the RTI Coalition were prevented by security personnel from entering parliamentary chambers because they were wearing branded t-shirts. Another protestor was arrested for carrying a placard in front of the parliament building.

Grants received by CSOs are untaxed. However, like all other registered companies, CSOs must pay statutory taxes, such as pay-as-you-earn, social security, and national insurance for employees, as well as indirect taxes such as value-added tax on goods and services. CSOs may receive tax exemptions, including waivers of import duties, but not many organizations take advantage of this opportunity because of the perceived bureaucratic hassle involved. New government directives require importers, including CSOs, to pay full import duties and later claim refunds, which are awarded after due diligence investigations of the organizations.

CSOs may raise funds by selling goods and services. In recognition of the immense funding potential of social entrepreneurship, the Ministry of Trade and Industry, in partnership with the British Council and Social Enterprise Ghana, has developed a draft social enterprise policy, which seeks to provide the needed regulatory framework for the governance and development of a social enterprise sub-sector in Ghana. The policy was made available for comment to civil society actors in 2018.

CSOs may receive funds from foreign donors in country or abroad. In 2018, the Bank of Ghana enacted guidelines to ensure compliance with the country's Anti-Money Laundering Act 2008 and Anti-Terrorism Act 2008, which

would forestall the funding of terrorism under the guise of funding CSOs. Newly registered CSOs are now required to produce DSD certificates of compliance with the acts before bank accounts could be opened in their names.

There are no lawyers specialized in CSO affairs in Ghana, but legal counsel is generally available, especially in urban areas.

ORGANIZATIONAL CAPACITY: 3.9

CSOs' organizational capacity was unchanged in 2018. Most Accra-based organizations engage in activities aimed at high-level policy makers, while community and rural organizations focus on activities that address local needs. In 2018, STAR-Ghana, the major local funder, awarded grants to organizations focused on both national and local issues. For example, VOICE Ghana received a grant to implement activities in communities in the Volta region, where it is based, while the Institute for Democratic Governance (IDEG)-led Civic Forum Initiative received a grant to implement activities targeting national policymakers on multi-party local governance reforms. Most CSOs are able to build local constituencies for their initiatives. However, since most funding is now project-based, these relationships are not always sustainable. For instance, STAR-Ghana's grants are usually limited to twelve to eighteen months, and when they end, CSOs struggle to sustain their engagement with local constituencies.



All CSOs have mission statements and objectives, since they are requirements for registration. Some CSOs have broad mission statements, which make them eligible for funding in several sectors. Strategic plans have become a standard requirement for funding, and most CSOs follow them, although their focus can change based on the availability of funds. This is particularly true for small and rural organizations. For instance, a CSO working on health-related issues may suddenly start to work on water and sanitation because funding is available for such activities.

Large and urban CSOs increasingly have well-defined internal management structures. This trend has been encouraged by STAR-Ghana's policy of conducting due diligence investigations before awarding funding. For example, for projects in local governance and anti-corruption, STAR-Ghana assessed the financial and operating procedures, staff capacity, audited financial statements, and board structures of shortlisted organizations. Small CSOs generally do not maintain functional boards after registration. Most CSOs in both urban and rural areas have written operating procedures, although smaller organizations do not fully implement them. Conflict-of-interest issues are minimal in CSO operations.

The prevalence of project-based funding in the CSO sector makes it difficult for organizations to retain employees or offer them long-term or permanent employment, particularly on terms comparable to those in the public and private sectors. Larger CSOs offer their staff well-developed job descriptions, contracts, and salaries, but most smaller organizations do not have such practices because of limited capacity and funding. The use of professionals, such as accountants, information technology managers, and journalists, is common in many large and some small organizations. For example, Abantu for Development, the Center for Public Interest Law, and other CSOs engaged in human and gender rights employ or engage the services of lawyers to support their work.

With improvements in mobile telecommunication services, internet access through cell phones has improved throughout the country. CSOs are more tech savvy and seek to recruit staff with the skills needed to use new media. All types of organizations use social media in their operations. Urban CSOs tend to have good basic office equipment, but small CSOs, especially in rural areas, do not have well-equipped offices with computers and basic software. Rising rents undermined CSOs' ability to rent office space in urban centers in 2018 and forced some CSOs to move their offices to peri-urban areas.

FINANCIAL VIABILITY: 5.9



The financial viability of CSOs in Ghana declined in 2018, mainly because of decreases in foreign funding.

CSOs remain largely dependent on foreign donors. Donor funding became more difficult to obtain in 2018 as both the pool of donors and the volume of available funds declined. Most donors have indicated that they will withdraw aid by 2022, when the government hopes to implement its Ghana Beyond Aid policy. This prospect has caused a widespread feeling of uncertainty about funding among nearly all CSOs. USAID's Agricultural Technology Transfer project, Agricultural Policy Support project, and Financing Ghanaian Agriculture project ended in 2018, and its Agriculture and Natural Resource Management project was terminated in December after two years of implementation. These closures particularly

affected small CSOs and community-based organizations (CBOs). The Danish government has changed its focus from aid to trade and concluded its support to STAR-Ghana at the end of 2018.

At the same time, implementation of the United Nations (UN) Sustainable Development Goals (SDGs) provided new opportunities for CSOs to raise funds from UN agencies and other donors. The UN Development Program office in Ghana set up an SDG unit in 2018 to support CSOs working to achieve the goals.

Only a few large or urban CSOs have multiple sources of regular funding. Even for these organizations, funding is generally short term. Financial support for smaller and rural CSOs is almost always short term, activity based, and limited to one major donor.

Local funders for CSOs usually re-grant donor funds. With support from the European Union and the United Kingdom's Department for International Development, STAR-Ghana remains the major local grantmaking program. Most of the projects that it supports address carefully identified national and local priorities. STAR-Ghana did not advertise any major call for proposals in 2018. Local philanthropy is not well developed. Local philanthropic foundations tend to focus on a small set of activities, most commonly in health and education, which they usually implement themselves. Private-sector funding is generally limited.

Corporate social responsibility programs are the most common source of business funding. Such support is usually one-off. A few corporate foundations, such as the MTN Foundation, award small, short-term grants to a few individuals and CSOs. There is no state funding for CSOs, other than some support from state agencies for services in health, education, and agriculture. For example, the Ghana AIDS Commission funds several CSOs working in health care.

Except for a few CBOs, CSOs do not usually seek to raise funds from their constituents. Constituency support usually comes in the form of in-kind contributions. Crowdfunding is generally a new idea and not well developed. Generally, CSOs do not organize sporting and cultural events to raise funds. Many member-based organizations have become dormant in recent years, in part because of the non-payment of dues by members.

Although income generation by CSOs is not a generally accepted notion, CSOs may earn revenue from the marketing of services and products. Some CSOs earn income from research or consultancy work for government and private-sector entities, but such activities are limited and irregular. In the past, CSOs were able to sell publications, but in 2018, funding for research publications was limited, and even major publishers, let alone CSOs, were unable to make money through occasional publications.

Understanding of the concept of social enterprises as alternative or complementary sources of funding, especially for small CSOs, is growing. In 2018, the Ministry of Trade and Industry developed a draft policy that seeks to establish a regulatory environment for social enterprises, drive innovation, and scale up enterprise-based approaches to social problems and achievement of the SDGs.

The capacity for sound financial management varies. Large organizations tend to conduct audits and publish annual reports, while only a few small organizations perform these activities. However, in recent years, funders, particularly STAR-Ghana, have required smaller organizations to improve their financial management systems. Most CSOs hire professional financial officers or engage the services of accountants, especially if they receive donor funding. Some CSOs publish annual reports that include their financial statements, but downward accountability in the sense of allowing stakeholders to verify financial operations is not common among either urban or rural organizations.

ADVOCACY: 3.4

In 2018, CSO advocacy improved as CSOs interacted more frequently and at higher levels with all three branches of government, including, for the first time, the judiciary, which CSOs engaged in discussions about delays in adjudicating cases. At the local level, CSOs mobilized new community groups to support the referendum on the creation of new regions and lobbied intensively for passage of the RTI bill. The RTI Coalition continued to use both lobbying and public protests to draw attention to delays in passage of the RTI law.

CSOs in Ghana influence government decision making directly at both the national and local levels. In 2018, CSOs and CSO coalitions had structured engagements with the president, his cabinet, the parliament, and the judiciary on such issues as anti-corruption, fiscal and economic management, decentralization, agriculture, health, oil and gas, and the judicial process. The expertise of CSOs is valuable to government agencies, and CSOs serve on most public consultative committees, including the Public Interest and Accountability Committee, which monitors use of the country's oil revenues; the board of the Office of Special Prosecutor, the newly established anti-graft body; and the National Peace Council, which is predominantly composed of CSOs and religious leaders. CSOs also participate in public decision-making processes, such as the preparation of national and district budgets and development planning. For example, the Peasant Farmers Association submitted three proposals addressing the inclusion of the agricultural sector in the 2019 national budget.

An important effort in 2018 was CSOs' mobilization of new groups such as chiefs and community-based groups to support the referendum on the creation of new regions. In all six regions, participation in the referendum was massive, and support for the new regions was generally high. However, groups such as a Coalition of Volta Youths staged a protest against the division of the Volta region, and the Association of Western Togoland Youths and Concerned Citizens of Volta submitted petitions against the creation of the new Oti region.

Other CSO advocacy campaigns in 2018 included the efforts of the African Center for Energy Policy, Occupy Ghana, Imani Center for Policy and Education, and other CSOs to force a review of the contract re-negotiated with the Africa Middle East Resources Investment Limited (Ameri), which they considered overpriced. CSOs' intense advocacy led to the resignation of the minister of energy and the government's decision to reduce the value of the contract. Imani led a similar campaign on government contracts with Kelni GVG and Star Times Platforms for communications services, which again led to a government review of some sections of the agreements. The leaders of several CSOs, including the CSO Platform on the IMF Bailout, met with IMF chief Christine Lagarde during her official visit to Ghana to discuss civil society's role in helping the government internalize fiscal discipline in the run-up to the 2020 general elections.

In addition, the Ghana Federation of Disability Organizations and other CSOs campaigned for a review of Ghana's disability law to ensure that it conforms to the UN Convention on Rights of Persons with Disabilities. Other campaigns included an ongoing court case filed by Food Sovereignty Ghana, a grassroots food advocacy movement, against the commercialization of genetically modified foods; the Stop Galamsey project to combat illegal mining; efforts of the CSO Platform on the SDGs; and the Corruption Watch Campaign, which focused on reducing public



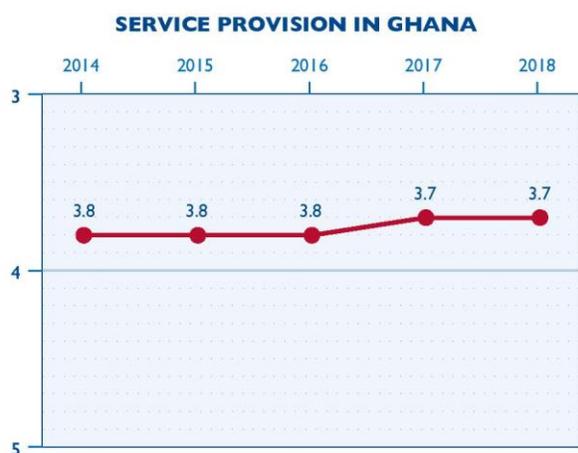
corruption by ensuring that corruption cases are investigated, suspects are prosecuted, and proceeds are recovered by the state.

Although issues of sexual orientation are not publicly discussed in Ghana, a couple of CSOs advocate in this area. In 2018, the Perfector of Sentiments Foundation publicly called on the government to recognize the rights of lesbian, gay, bisexual, transgender, and intersex people.

Although Ghanaian CSOs do not usually lobby, several important lobbying efforts took place in 2018. The RTI Coalition circulated a paper to all 275 members of parliament on problematic clauses in the RTI bill, including the types of information to be disclosed and rules for exemptions. The Right to Information law was eventually passed by the parliament in 2019. IDEG met with the Parliamentary Select Committee on Food, Agriculture, and Cocoa Affairs to present findings on the socio-economic challenges facing cocoa-growing areas and urged the committee to support sustainable cocoa production and the development of cocoa communities. Gender-focused CSOs, such as Women in Law and Development, Ark Foundation, and Abantu for Development, met with the women's caucus to discuss passage of the Affirmative Action Bill, which the cabinet reviewed for approval during the year.

CSOs recognize the importance of a favorable legal regime and tend to be concerned about limitations that new regulations can bring. In 2018, CSOs engaged in several attempts to ensure a favorable regulatory framework. For example, a coalition of CSOs working on the NGO Bill started up again and met with officials at the Ministry of Gender, Children, and Social Protection. CSOs urged that the bill be developed through a process of broad consultation, which they hope will mobilize support for a CSO-friendly law. The bill was still not ready for passage by the end of the year because of a change of ministers and lack of urgency on the government's side.

SERVICE PROVISION: 3.7



CSO service provision was unchanged in 2018. CSO service delivery is dynamic, and CSOs operate in almost every sector. For example, CSOs provide water services to deprived communities, educational materials to schoolchildren in rural areas, emergency and relief assistance, and services related to gender, human rights, and disabilities. Civic Response, a CSO partnering with the Forestry Commission of Ghana, launched the Ghana Timber Transparency Portal in 2018 to make information on logging available to the public.

Most CSOs form to respond to standing or emerging needs neglected by the government. CSOs determine these needs through consultations, research, news reports, appeals by individuals from affected communities, and requests from opinion leaders.

Membership-based organizations, such as the Coalition of NGOs in Water and Sanitation, Ghana Coalition of NGOs in Health, and Network for Women's Rights in Ghana, tend to focus on serving their members through consultative platforms and policy advocacy interventions.

Because they are registered as nonprofit organizations and funded by donors, CSOs provide most of their services free of charge. The market demand for fee-based services is low. CSOs usually charge only for services contracted to the government and private sector, but such services are occasional in nature and provided by only a few organizations. CSOs face growing competition from major media in providing services such as organization of public policy forums. Similarly, research and publications, which used to be a hallmark of the CSO sector, are now being produced by universities and private professional firms.

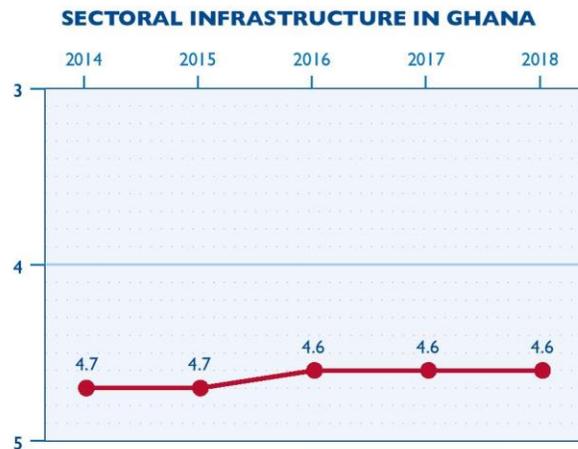
Social enterprises are not well developed in Ghana, but a few CSOs have established projects to provide, among other things, susu (savings) and lending schemes and market services to farmers and women's groups. For example, SEND Ghana provides loans and extension services to farmers, and the Association of Church Development Projects has a for-profit micro-finance institution that offers micro-credit to farmers.

The government values CSOs' monitoring work. For instance, the government favorably received CSOs' analysis of the Ameri energy contract and responded by negotiating a reduction in costs. Reports of local community and social audit groups set up by CSOs provide the government with invaluable information on policy implementation. For instance, CSOs have provided a great deal of feedback on the implementation of the government's policy to increase access to high school education, which has led to government interventions in some schools.

SECTORAL INFRASTRUCTURE: 4.6

CSOs' sectoral infrastructure was unchanged in 2018. Resource centers and intermediary support organizations for CSOs are not common in Ghana. STAR-Ghana and the West Africa Civil Society Institute (WACSI) are the major sources of information for CSOs, while the African Women Development Fund operates a resource center for gender-focused CSOs.

STAR-Ghana is the country's major local grantmaker. In 2018, the STAR-Ghana Foundation was established to serve as the locally led, independent successor to the STAR-Ghana program, which is slated to end 2020. Although STAR-Ghana did not issue major calls for proposals in 2018, it continued to disburse funds to CSOs for projects in anti-corruption and local government reform. There are no other notable local grantmakers.

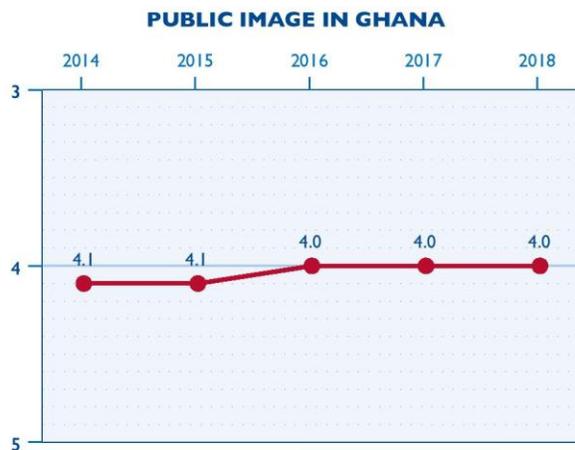


CSOs in Ghana do not have clearly established channels for sharing information on a regular basis. Because of competition over funding, CSOs tend to operate independently, although they come together to share information on major national policy issues, including RTI, corruption, and peace building. Dynamic groups include the RTI Coalition, Ghana Anti-Corruption Coalition, Ghana National Education Campaign Coalition, and SDG Platform. Short-term opportunities for learning include the sharing of best practices among STAR-Ghana grantees. However, the sustainability of these measures remains challenging, since the sector no longer has a well-recognized body to promote its interests. Internal disagreements split the formerly vibrant Ghana Association of Private Voluntary Organizations in Development several years ago.

Competent CSO management trainers and consultants are available, especially in the capital city. Training packages for CSOs are available at the national level, some for a fee. WACSI organizes paid training for CSOs in Ghana and the West African sub-region. Training centers operated by public and private institutions, including universities, also provide training to CSOs. For instance, the University of Cape Coast offers a full course of study on civil society and CSO management. Available training cuts across various areas, including customized sessions on demand. Training materials are not available in local languages.

Very few CSOs work in regular partnership with the private sector, other than private media companies. However, in 2018, STAR-Ghana took steps to help CSOs develop relations with private sector actors, such as the Association of Ghana Industries and local business communities. Most CSOs at the national level have good working relationships with the media and cooperate with them in formal or informal partnerships. For example, as part of its advocacy activities, Imani partnered with Joy News, a subsidiary of the Multimedia Broadcasting Limited, to organize a public forum on Ghana's digital migration project and aspects that they considered unfavorable to the country. CSO collaboration with both the government and the media on policy issues remains high. For example, governmental bodies such as the Commission for Human Rights and Administrative Justice, Judicial Service, Attorney General's Department, and Economic and Organized Crime Office collaborated with the Ghana Integrity Initiative, Ghana Anti-Corruption Coalition, Institute of Economic Affairs, Center for Democratic Development, and other organizations to organize a week-long commemoration of World Anti-Corruption Day in 2018.

PUBLIC IMAGE: 4.0



The public image of CSOs did not change in 2018. The media report favorably on CSOs' activities at national and local levels and regularly call on CSO experts to provide informed analysis, usually on a pro bono basis. For example, most of the news reports on the Ameri contract in 2018 involved extensive interviews and analysis by CSO activists.

The public generally perceives CSOs positively. In the middle class, there is widespread awareness of the scope of CSOs' activities. However, people in rural areas often have the misconception that CSOs are only charitable organizations offering relief and infrastructure support.

CSOs' reputation with the government is generally favorable. Government officials widely recognize urban-based think tanks as credible experts on a number of

issues, including peace and security and governance. However, the government occasionally conveys negative views of CSOs, especially when CSO reports are less than favorable to the government. For example, the president and speaker of the legislature expressed dissatisfaction over what they considered to CSOs' excessive criticism of the government's failure to implement campaign promises and the delayed passage of RTI bill. The business sector has generally positive views of CSOs.

CSOs publicize their activities through traditional and new media outlets. CSOs' use of social media is on the rise, and some established organizations have personnel focused on enhancing their brand. Most CSOs invite journalists to participate in training programs to improve their knowledge of policy and advocacy issues. In 2018, CSOs such as Penplusbytes developed mobile-phone platforms to monitor, share, and elicit information with the public on the implementation of government projects.

Only a few, mostly urban organizations and smaller CSOs receiving regular funding support publish or otherwise share their annual reports. There is no national code of conduct for CSOs.

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