DRAFT OPTIONS PAPER:
FRAMING THE DIALOGUE ON
THE STAR-GHANA
INDEPENDENT ENTITY

(VERSION 1.2)

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# *Role of Social Development Direct*

As part of the Christian Aid-led STAR consortium, SDDirect's support role for STAR-Ghana, Phase 2, includes:

➢ Technical advice and support to *organisational strategy and positioning* for the new STAR entity in Ghana (including institutional development and foundation-building) – *an accompaniment/critical friend and technical back-up role*.

➢ Technical advice and facilitation support in the development of a *community of practice and learning (COPL)* among local partners and stakeholders.

➢ Technical advice and support to the development and implementation of STAR-Ghana's strategy on *gender equality and social inclusion (GESI)*.

➢ Technical support as needed to the review and development of the STAR grant architecture.

# Background:
## Senior Institutional Strategy Advisor

Currently Lead Consultant, Governance, Voice & Accountability, SDDirect, with long-term Southern Africa-based experience as a civil society grantmaker, development and philanthropy professional/consultant, institutional development and partnerships advisor, and convenor of multi-stakeholder dialogue and learning communities.

- Former founding Director of INTERFUND, 1986-2000.
- Director of Development and Public Affairs, CIVICUS (World Alliance for Citizen Participation), 2001-2002.
- Senior Director, Southern Africa, The Synergos Institute, 2002-2010
- Advisor to the South Africa Government on the establishment of the National Development Agency.
- Advisor to DFID on the design and establishment of the Southern Africa Trust.
- Advisor and consultant to the Southern Africa Trust.
- Former Board member, Southern Africa Grantmakers Association (SAGA)
- Former Board member, Worldwide Initiatives for Grantmaker Support (WINGS), 2007-2011.
- Facilitator, WINGS global strategic planning process, 2014.
- Team Leader, Evaluation of the 2013-2020 Strategy & Theory of Change, International HIV/AIDS Alliance, 2014-2015.
- Team Leader, Research Study on the Strategic Partnership Arrangement (SPA) between BRAC Bangladesh, DFID and DFAT Australia, 2014-2015.
- Team Leader, SDDirect support to a 5-year DFID Somalia accountability 'research and innovation lab' (IAAAP) – focus on GESI, Help Desk support, and facilitation of learning platform.

# *Purpose and background*

The purpose of the summary options paper is:

> ➢ ***To inform and support the STAR-Ghana Steering Committee's conversations about the organisational and institutional vision for an independent STAR-Ghana.***

A key component of STAR-Ghana, Phase 2, is the establishment of STAR as an independent entity. As per the STAR Steering Committee's 'Design Framework' (2014), STAR 2 has a dual focus:

> ➢ ***Catalysing the efforts of civil society towards systemic change on specific issues***
> ➢ ***Working towards the creation of a national organization/endowment fund to sustain support for these efforts beyond the life cycle of a successor programme.***

Output 4 of the STAR logframe refers to the creation of a corporate entity, described as:

> ➢ ***A 'Ghanaian owned, strategic and fundable organisation.'***

The SC design framework describes this entity provisionally as:

> ➢ '***A structure for sustainable funding (foundation or national endowment fund)***' that will raise and manage funds from membership subscriptions, private sector companies, donors, foundations and individual citizens.

# *What do we already know?*

- **STAR-2 is not just 'more of the same.'**

- Guided by the 'three C's + Learning' mandate - '***Convenor, Catalyst and Coordinator'*** of civil society, facilitating ***multi-stakeholder learning and collective action.***

- Key functions and features of STAR-Ghana have been agreed (as summarised in the draft option paper), including:

  - ➢ Building ***an endowment for long-term sustainability***.
  - ➢ A ***convenor and 'honest broker'*** of multi-stakeholder policy dialogue; knowledge, analysis & learning; and collaboration & partnerships.
  - ➢ An ***engaged, pro-active player***, coordinating and catalysing collective action on key issues.

- The legal registration options as an independent entity are limited - ***'private company limited by guarantee to operate as a non-governmental organisation.'***

# *Questions for institutional development*

- How to work from the ***substance*** of the STAR-Ghana vision, not the ***narrow institutional form***?

    - ➢ What will the future independent STAR look like? What strategic needs or gap does STAR fill? How does that shape our institutional pathway?

- How to ***'co-create' a new national institution*** with support, engagement and ownership from key stakeholders (especially civil society)?

    - ➢ How will key stakeholders and partners see themselves reflected in STAR's institutional identity and arrangements?
    - ➢ How to avoid being perceived as a threat or gatekeeper by other CSOs or government?
    - ➢ How to be representative, legitimate <u>and</u> independent (neither donor-driven nor beholden to narrow CSO interests).

# *Questions for institutional development*

- ***How best to engage with government and Ghana's 'political class'?***

- What is the vision, if any, for a ***longer term 'strategic partnership'*** with founder donors?

  - ➢ Strategic collaboration on priority initiatives and foundation-building?
  - ➢ Sharing knowledge, analysis, research, contacts, etc.?

- What is the ***vision for institutional leadership and governance*** of an independent STAR?

  - ➢ How to build a governing Board that is agile, robust, strategic and self-renewing?
  - ➢ What sort of strategic, 'bridging' leadership is required to deliver on the '3 Cs + Learning' mandate?

# *Criteria for choice among options*

- Which institutional option would be ***most efficient and cost-effective***?

  - ➤ Relative burden of effort, cost and investment of time required.

- Which option capitalises most on STAR-Ghana's ***strategic positioning, comparative advantage and resources***?

  - ➤ STAR's 'unique added value,' analysis of key competitors and partners in the Ghanaian CSO environment.

- Which option would best ***capture the imagination and support of key stakeholders***?

  - ➤ How appealing or threatening would a particular option be to key stakeholders (civil society, government, business partners, potential donors and funders)

# *Criteria for choice among options*

- Which option is most likely to ***attract financial and material support*** from a diverse range of sources?

  - ➢ What is vision for financial independence or sustainability?
  - ➢ Analysis of longer term funding opportunities (national and international) as well as prospects for building a local membership and sponsorship base in Ghana.

- Which option would be ***most effective in expanding civic space and resources*** for civil society and citizen engagement in Ghana?

  - ➢ Assessment of STAR-Ghana's institutional requirements to act as a trusted '***convenor, catalyst and coordinator***.'

- Other criteria? – to be determined by the SC.

## Option 1: STAR-Ghana as a Foundation (National Endowment Fund)

**A 'foundation' is a fluid and adaptable institutional format:**

- General definition:

  ➢ *A non-profit/philanthropic organisation with an endowment (assets and investments) that exists to advance a public good or charitable purpose, typically through grant-making also through operational activities and programmes (research, policy development, public dialogue, etc.)*

# Option 1: STAR-Ghana as a Foundation (National Endowment Fund)

**Strengths/opportunities:**

- *It would set STAR-Ghana apart from conventional NGOs.*

- *It is bold and innovative.*

  ➢ STAR's pathway towards an endowed national foundation is likely to attract interest and attention domestically and internationally.

- *African and international networks of donors, foundations and philanthropy may welcome and partner with a STAR foundation initiative.*

STAR-Ghana
Strengthening Transparency, Accountability and Responsiveness in Ghana

- ***The Ghana context may be ripe for foundation/endowment-building and development of a domestic support or membership base.***

  ➢ A growing economy with an expanding middle class and prospects of new revenue streams from oil and gas.

- ***Possible appeal to emerging African high net worth individual and family donors.***

- ***The foundation option would challenge dominant patterns and perceptions of Northern leadership and control of the development agenda.***

  ➢ Added authenticity and legitimacy.

## Option 1: STAR-Ghana as a Foundation (National Endowment Fund)

- ***Possibly less likely to be seen as a direct threat to other CSOs.***

  - ➢ Building new streams of support for civil society – not a competitor or gatekeeper, not drowning out other voices.

- ***Consistent with role as 'honest broker' of resources, relationships, dialogue, knowledge and learning.***

- ***Adaptable to a hybrid institutional model.***

  - ➢ Strategic grant-making, catalytic and operational initiatives, thought leadership, convening.

# Option 1: STAR-Ghana as a Foundation (National Endowment Fund)

**Challenges/lessons:**

- ***Endowment-building will be challenging*** in STAR's particular fields of focus – i.e. active citizenship, governance, transparency, accountability, policy, human rights, social inclusion, etc.

- Endowment-building and the development of an indigenous support base or membership are ***time-consuming, risky and arduous processes.***

- To move beyond dependence on the aid system, ***STAR-Ghana will need higher visibility and must play a role in strengthening the enabling environment for philanthropy in Ghana***.

- Some African and Southern-based social change foundations and grant-makers have created endowments (large and small), using a ***range of strategies***, such as:

➢ ***Developing a base of individual donors*** – through public campaigns, 'face to face' fundraising, online or social media giving platforms, payroll giving schemes.

➢ ***Enlisting high profile patrons, sponsors or amb***assadors from the worlds of politics, arts and culture, or sport.

➢ ***Investing unrestricted cash reserves and/or purchasing long-term ass***ets (like property and buildings).

➢ ***Launching profit-making arms***, businesses or social enterprises.

➢ Securing ***gifts of shares or dividends*** from private sector companies.

➢ Securing ***'one-off' endowment grants, capital grants or exit grants*** from international donors.

## Option 1: STAR-Ghana as a Foundation (National Endowment Fund)

**Key ingredients of success in foundation and endowment building:**

- Clarity of vision and purpose.

- A well-defined niche and 'added value proposition.'

- A compelling case statement (and 'theory of change').

- A clear, nuanced and up-to-date analysis of context.

- A strong track record of effective programme management, financial integrity, fund management and good governance.

- Strong systems for M&E and quality assurance.

- Well-developed capacity for dialogue with, and feedback from, key stakeholders, partners and beneficiaries.

- A core group of influential champions, decision-makers and 'bridge builders.'

- Sustained, strategic and innovative leadership.

- Capacities for partnership and collaboration.

- Strong communications and marketing.

- A high performing, multi-skilled secretariat.

# *Option 2: A merger or amalgamation*

An **alliance, merger or amalgamation** with an existing, like-minded and highly regarded national social change CSO in Ghana.

- A partnership or 'marriage' option to capitalise on the existing legal registration, track record, capacity, infrastructure and reputation of a like-minded strategic partner organisation.

**Strengths/opportunities:**

- A merger might **fast-track institutional progress** towards an independent organisation by piggy-backing on an established independent entity and achieving economies of scale through:

  - Pooled resources, skills, expertise and staffing capacity
  - Access to existing national and regional offices or operational facilities
  - A wider range of networks and champions
  - Combined spheres of influence and advocacy
  - Joint fundraising potential.

# *Option 2: A merger or amalgamation*

- A merger might ***leverage the reputational assets and strategic positioning*** of a suitable partner to enhance STAR's credibility with key stakeholders.

- STAR may be able to ***access additional skills or competencies*** in the fields of convening, research and analysis, knowledge management and learning, advocacy, etc.

- An alliance or merger might ***exemplify STAR's commitment to collaboration and partnership*** by building on existing civil society institutions and infrastructure.

- An alliance or merger might ***expand STAR-Ghana's potential funding and resource base***.

  ➢ A partner may bring contacts and relationships that would add significant value to STAR's funding and endowment-building efforts.

# *Option 2: A merger or amalgamation*

**Challenges/lessons:**

- Identifying a suitable partner could be challenging.

- A merger could be laborious, expensive and unpredictable.

- A risk that STAR existing brand and positioning could be diluted or lost in the process of a merger or amalgamation.

- Difficult to manage and to achieve a smooth merger.

## Option 3: A 'National Centre for Active Citizenship and Philanthropy'

STAR-Ghana could be institutionalised in the form of **an endowed national NGO** defined by its '3 Cs + L' mandate with a focus on the development of civil society, an active citizenry and philanthropy in Ghana.

- Not legally or institutionally very different from a foundation model.

- Highlights STAR's brand as a **centre of dialogue, practice, learning and innovation on active citizenship.**

- **'Philanthropy' or a robust 'philanthropic sector** (i.e. 'private giving for public good', <u>not</u> 'charity') is a crucial ingredient of an enabling environment for active citizenship and sustainable resourcing of civil society.

This option assumes a leadership role for STAR in:

- Strengthening a **home-grown culture of solidarity, giving and social change philanthropy**.

- Advancing **an enabling environment and long term sustainability prospects for CSOs in Ghana.**

- Helping to create **the conditions for STAR's own success**.

# Option 3: A 'National Centre for Active Citizenship and Philanthropy'

**Possible value-added or signature activities of STAR in this scenario:**

- Research/analysis on active citizenship and social change philanthropy.

- On-going analysis of the dimensions and state of civil society.

- Research/dialogue on traditional Ghanaian forms of active citizenship and philanthropy
  - Exploring informal, indigenous patterns of accountability, community giving, resource mobilisation, volunteerism, faith-based traditions and practices, etc.

- A national resource centre and knowledge broker.

- Advocacy, policy and influencing work on an enabling legal, policy and cultural environment.

- Cultivating and mobilising individual donors, high net worth individuals (HNWIs) and emerging private foundations in West Africa.

- Innovative awareness-raising, messaging and public campaigns.

- Collaboration with other African and international hubs, centres, networks, and thought leaders in the fields of active citizenship and philanthropy.

**Strengths/opportunities:**

- Possibly perceived by CSOs as a less distant and more collegial institutional identity.

- May shift perceptions of STAR as primarily a grant-making organisation and re-focus attention on its 'convenor, catalyst, coordinator' role.

- Links STAR-Ghana's institutional development/ sustainability prospects with the wider sustainability challenges of civil society.

- Although somewhat artificial, this scenario may serve to spark further reflection about the substance, identity and profile of the future STAR.

## Option 3: A 'National Centre for Active Citizenship and Philanthropy'

**Challenges/lessons:**

- Possibly a risk of 'mission creep' or over-ambitious institutional design.

- STAR has already studied the models of the Foundation for Civil Society (Tanzania) and the Manusher Jonno Foundation (Bangladesh), both of which have relevant experience related to this option.

- Possible lessons from other Africa-based grant-makers and CSOs that make a strategic connection between active citizenship and philanthropy, such as:

  - The African Women's Development Fund (based in Accra)
  - Inyathelo South African Institute for Advancement (the leading centre for philanthropy in Southern Africa – based in Cape Town)
  - The Southern Africa Trust (Johannesburg)
  - TrustAfrica (based in Dakar)
  - The John D. Gerhart Centre for Philanthropy and Civic Engagement (Cairo)
  - The Social Justice Initiative (Johannesburg)
  - The Kagiso Trust (Johannesburg)