

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***.'

- 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 and independent (neither donor-driven nor beholden to narrow CSO interests).

- ***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.***

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



- ***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:

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



- **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 ambassadors** from the worlds of politics, arts and culture, or sport.
- **Investing unrestricted cash reserves and/or purchasing long-term assets** (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', not 'charity') is a crucial ingredient of an enabling environment for active citizenship and sustainable resourcing of civil society.

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



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.

Option 3: A 'National Centre for 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)