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.

- 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)
- Facilitator, WINGS global strategic planning process, 2014.
- 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 **and** 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.
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.
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.
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**.
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)