

FINANCING LOCAL NON-GOVERNMENTAL ORGANISATIONS IN GHANA: ISSUES AND CHALLENGES

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DECLARATION

I hereby declare that this submission is my own work towards the MSc. Development Policy and Planning and that, to the best of my knowledge it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the text.

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ABSTRACT

Local Non-governmental Organisations (NGOs) play a vital role in the socio-economic development of Ghana. They complement government's efforts in providing sustainable development by filling development gaps where government is short. Despite these important roles local NGOs play in the development process they are faced with a number of challenges which raises concern about their sustainability.

This study identifies and discusses some key issues and challenges in financing local NGOs in Ghana. The analysis first reviews the sources of funds for local NGOs by focusing on both external and internal sources. The study then discusses the methods local NGOs use to mobilize funds for their operations. Three methods were identified and they included proposal writing, partnership and social enterprise.

The study sought to determine how local NGOs in Ghana finance their operations. A survey research approach was adopted to examine the local NGOs financing and issues and challenges that confront them. With a combination of purposive and simple random sampling, and 10 percent margin of error, 43 out of 76 local NGOs in Brong Ahafo Region were sampled for the survey.

Issues such as governance and management of local NGOs, staff composition, sources of funding, conditions attached to funding sources, relationship between local NGOs capacities and funding as well as the utilization of local NGO funds were discussed in this regard. Others are the challenges local NGOs faces and the methods used to mobilise funds.

The study revealed that local NGOs obtained their funding mostly from INGOs, governments through their embassies and agencies such Ghana AIDS Commission External funding accounted for 83 percent of local NGOs funding whilst internal funding accounted for 17 percent. The study also revealed that external funding to local NGOs is mostly available for small period of time like one year to 18 months and it has been reducing over the past five years. This limits the scale of local NGOs interventions.

Local NGOs have not also been able to tap funding from local philanthropic and corporate bodies for their operations.

It is thus recommended that local NGOs diversify their funding bases, approach local corporate bodies and philanthropist for funding support. It is also recommended prudent and sound organisational management of local NGOs.

Giving the expected roles local NGOs have to play in the development of the less privileged communities, all other players in the development process must collectively re-examine their contributions towards the financing of local NGOs. Local NGOs on their part, should be able to assess factors that hinder them from enjoying public and corporate support and ensure effective collaboration between them and the public.



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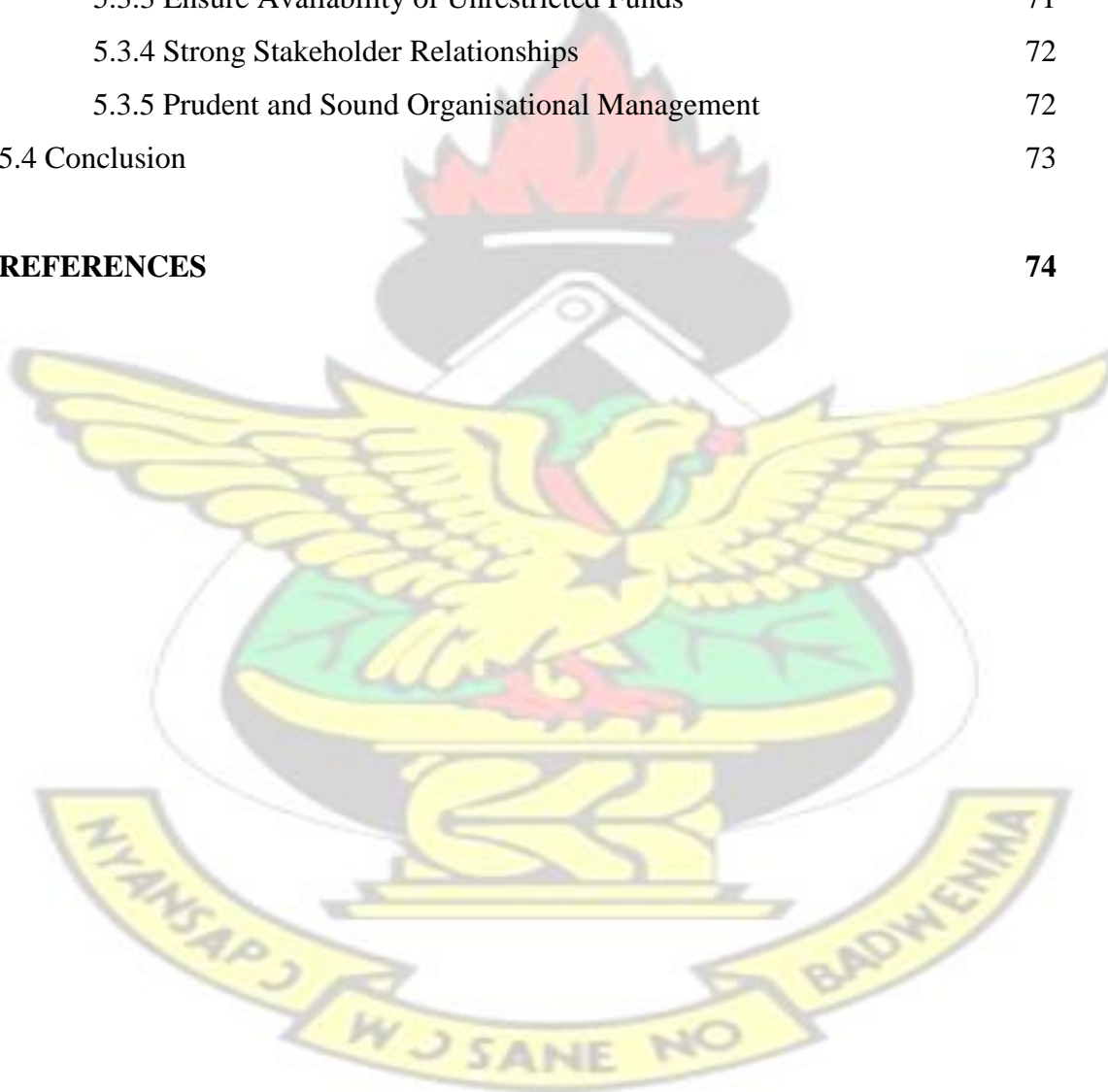
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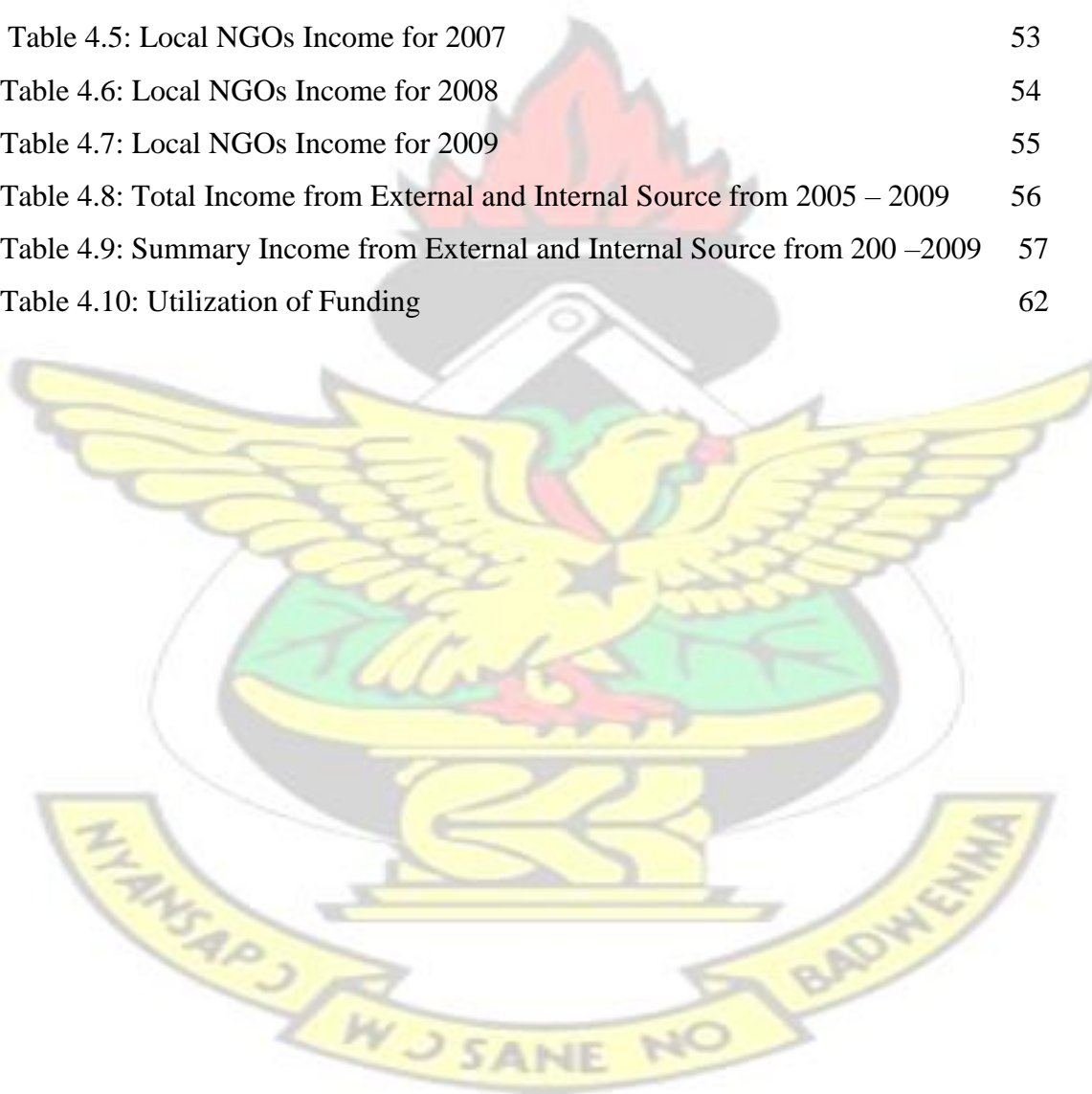
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LIST OF ABBREVIATIONS

BANGO -	Brong Ahafo Network of Non-governmental Organisations
BRUM -	Bureau of Rural Mobilizers for Development
CBOs -	Community Based Organisations
CRS -	Catholic Relief Service
CSD -	Centre for Sustainable Development
CSR -	Corporate Social Responsibility
DOTHEBAA -	Dormaa Traditional Healers and Birth Association
FBOs -	Faith Based Organisations
GTZ -	German Development Corporation
INGO -	International Non-governmental Organisation
NGO -	Non-governmental Organisation
SE -	Social Enterprise
SODIA -	Social Development and Improvement Agency
PPP -	Public Private Partnership
UNDP -	United Nations Development Programme
USAID -	United State Agency for International Development

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CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background of the Study

Non-Governmental Organizations (NGOs) today form a prominent part of the “development machine”, in the developing world and are generally seen to be playing an increasingly important role in development. They are recognized as an indispensable part of society and the economy. In fact, they are sometimes referred to as the “third sector” (Issa, 2005 p.1).

As part of the measures aimed at addressing the conditions of the people, and as a means to redress the imbalances between rural and urban areas in terms of development, NGOs are playing a vital role. Many NGOs are undertaking a number of activities in Agriculture, Health, Education, Research and most importantly, gender development.

In some deprived rural areas in Ghana, for example, the most commonly known names associated with their development is either World Vision, Plan Ghana, Action Aid, Catholic Relief Services (CRS), Adventist Development and Relief Agency, Concern Universal, among others. This is because, it was the NGOs that provided them with clean drinking water, the clinic in the village center, the afforestation project, credit facilities, school building, extension services and many more (Bob-Milliar, 2005).

The activities of some of the local and foreign NGOs operating in Ghana have transformed whole communities and have benefited a lot of the rural dwellers. Some NGOs, through their activities have replaced perpetual misery with some smiles to those poverty-stricken and almost forgotten groups of rural dwellers. This is especially true in the areas of general development, where international and national NGOs support the poor and the disadvantaged in their efforts to improve their living conditions (Edusei 1997, p. 6).

As NGOs continue to grow in number and size, and begin to operate more professionally and expand and diversify their activities, there is an increasingly urgent need to address the very basic question of how to financially sustain their valuable efforts. The issue of achieving "sustainable" NGO financing has always been a challenge to NGO professionals,

fundraisers, donors and policy analysts. It represents perhaps one of the greatest obstacles for the non-profit sector. This issue demand vigorous research into the financing of local NGOs in Ghana.

1.2 Problem Statement

The enormous developmental functions undertaken by local NGOs demand an availability of funds and effective and efficient mobilization of financial resources. With the recognition of the vital role played by local NGOs at grassroots level in the task of providing basic social services including health, education and building organizational structures for development projects as an instrument to meet community needs, local NGOs require more stable and secure funding. However, local NGOs in development sphere continue to lack a stable financial base (Sarr 2006, p. 1). As a result many run out of funds after few years of establishment with drastic implication for those closely involved with or employed by such organisation.

The challenge facing local NGOs in Ghana and most developing countries is for them to emerge as valuable force to effect development so as to improve the living conditions of the people in the communities. The search for funding is therefore necessary for the survival and the development of local NGOs (Vincent 2006, p. 23). This is because local NGOs require a substantial amount of funds and other resources to successfully carry out their activities.

Availability of funds to NGOs is without doubt one of the factors that determined and led to the growth of the sector. However, most local NGOs fail worldwide, even after promising initial periods, owing to problems with financing (Hennie 1999, p.2). Turary (2002 p. 40) argued that ‘the continuity of NGOs is the continuity in raising money, but if the organisation is not doing that it will wither and die’.

The impact of global financial and economic crisis on developing countries was a clear signal of the danger associated with their dependence on foreign resources (Diary Graphic 2010, p. 48, No 18164). The impact of financial dependence on foreign donor funding is

that once donors pull their financial support, local NGOs collapse. This development raises concern of sustainability and priorities of local NGOs in Ghana. This is the problem which the study seeks to investigate, taking local NGOs in the Brong Ahafo Region as a case.

1.3 Research Questions

The main research questions to be addressed in order to solve the research problem include the following:

1. What are the sources of funds and their proportions for local NGOs?
2. What methods are local NGOs using to mobilise funds locally and externally?
3. What are the challenges facing local NGOs in raising funds for their operations?
4. What recommendations could be made to improve local NGOs finances?

1.4 Objectives of the Study

The main objective of the study is to determine how local NGOs finance their operations.

Specifically, the study will achieve the following objectives:

1. To examine the sources of funds for financing the operations of local NGOs;
2. To assess the effectiveness of the methods used by the local NGOs to mobilise funds;
3. To examine the challenges facing local NGOs to raise funds; and
4. To make recommendations towards improved and sustained sources of funds.

1.5 Scope of the Study

The emphasis of the study is on governance and management issues, sources of financing local NGOs, methods used to mobilize the funds and the challenges associated with local NGOs financing.

There are several local NGOs operating in Ghana and in several sectors of the economy. However, the study focused exclusively on local NGOs operating in the Brong Ahafo Region irrespective of the sectors in which they operate from 2005 to 2009.

1.6 Justification of the Study

Brong Ahafo Region provides an excellent case study for this study because; there is a wide diversity of local NGOs operating in the region but they face funding challenges. Many of them are therefore scaling down their activities as a result of the challenges in financing.

The study has helped identify the reasons for the collapse of many local NGOs in the region and come out with appropriate recommendations for alternative financing of local NGOs in Ghana.

Findings and recommendations that emerged from the study will serve as a spring board to generate interest for further research into the other aspects of NGO challenges. This stems from the fact that development challenge is a multifaceted phenomenon and no one research is capable of addressing it in full.

From academic viewpoint, the research work will be of great benefit to various levels of educational institutions within and outside the country, especially the universities as reference material for further studies and research work on NGOs financing.

Lastly, the study will contribute to the existing literature on funding challenges of local NGOs and to the body of academic knowledge. The findings of the study shall therefore be put at the disposal of students and other researchers in development work for reference purposes, hence it will add to knowledge.

1.7 Limitation of the Study

Data gathering suffered due to delay in getting responses due to the schedule of work especially directors of local NGOs. In addition records keeping was a problem for all the local NGOs surveyed such that in some situation the researcher had to collate the funding from the various sources himself.

Notwithstanding the above limitations, the study results have not been affected and thus are credible, reliable and useful for any purposes of evaluation and feedback.

1.8 Organisation of Research Report

The dissertation is divided into five chapters. The first chapter is dedicated to giving a general introduction including the problem statement, research questions and objectives, scope, justification and limitation to the study respectively.

Chapter two of the study concentrated on reviewing literature on NGO financing as well as the conceptual framework for the research while chapter three involves the research methodology and brief background of the study area.

Chapter four involves the presentation, analysis and interpretation of data collected on local NGOs financing. The last chapter also seeks to analyze the findings that emerged from the analysis, as well as recommend solutions and provide conclusions on the research findings.

CHAPTER TWO

TOWARDS FINANCIAL SUSTAINABILITY FOR LOCAL NONGOVERNMENTAL ORGANIZATIONS

2.1 Introduction

This chapter provides a detailed analysis of existing literature on the nature of NGOs, growth and development as well as the challenges facing local NGOs. The chapter also examines the funding sources of local NGOs. In addition, the chapter assesses the methods of resource mobilization and their sustainability. The chapter concludes with the deductions made from the literature and conceptual framework of the research.

2.2 The Nature of Non-Governmental Organizations

NGOs take different forms and play different roles in different geographical regions. The roots of NGOs are therefore different in the geographical and historical context. As a result there are many concepts and definitions of the term NGO. This section looks at the concepts and definitions of NGOs.

2.2.1 Concept of Non-Governmental Organisations

NGO sector has become a worldwide explosion which is increasingly responding to the social, political, environmental and economic needs of the vulnerable and disadvantaged nations. The worldwide recession, political instability, poverty and disease, natural disasters are some of the changes in the world which have made the activities of NGOs possible.

According to Lektorwe (2007, p. 3), the term NGO is broad and ambiguous and covers a range of organisations within civil society, from political action groups to sports clubs. The concept of NGO came into use in 1945 following the establishment of the United Nations Organizations which recognized the need to give a consultative role to organizations which were classified as neither government nor member states (Willet, 2002, p.37). Lektorwe (2007, p. 3), argues that the clear definition of NGO still remains contested. However, it can be argued that all NGO's can be regarded as civil society organisations though not all civil society organizations are NGO's (Lektorwe 2007, p. 3). Despite the difficulty of defining NGO, attempts have been made by various authors to define the term.

2.2.2 Definition of Non-Governmental Organisations

According to Holloway (2001, p. 15), NGOs are a group of organizations distinct from government institutions and business organizations. Their distinct feature is that they are formed to complement, supplement and offer alternatives to government development efforts.

Teegan et al. (2004, p. 466), quoting the United Nations (2003), describe an NGO as: 'any non-profit, voluntary citizens' group which is organized on a local, national or international level and is task-orientated and driven by people with a common interest.

Similarly, Edwards (2000, p. 7-8) defines NGOs as a subset of civic organisation, defined by the fact that they are formally registered with government, receive a significant proportion of their income from voluntary contributions (usually alongside grants from government), and are governed by a board of trustees rather than the elected representatives of a constituency.

The World Bank (1995, p. 7-9) argues that NGOs are private organisations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, and/or undertake community development.

From the above definitions NGOs can be defined as organisations that are not part of the government, independent, voluntary, non-profit and charitable and which promote development oriented activities for vulnerable groups in society.

Although there are variations in terms of the definitions of NGOs, for the purpose of this study, NGO are organizations which are not for profit and complement government efforts to relieve the suffering, promote interests of the poor and provide basic social services to vulnerable communities and individuals (Adopted from World Bank, 1995).

In the view of Schiavo-Campo and Sandaram (2001, p.54) for NGO to be classified as non-profit, it should satisfy the following criteria:

- First, an NGO should be privately set up and sufficiently autonomous in its activity, that is independent of direct governmental control;
- Secondly, an NGO should clearly define its voluntary character;
- Thirdly, it cannot be considered as a political party with an aim of attaining political power; and
- Fourthly, an NGO should support development which demonstrates its public interest character.

2.2.3 Local and International Non-Governmental Organisation

According to Helen et al (2005, P. 62) the term "Local Non-Governmental Organisation (NGO)" refers to local indigenous organisations that include national NGOs, Faith-Based Organisations (FBOs), and Community-Based Organisations (CBOs) whose activities fall within the functional categories of advocacy and service delivery. Such organizations are owned and run by nationals. They are formed on their own initiative, rather than donors in response to the plethora of development problems confronting their country (Turary 2002, p. 4). Those NGOs are driven by the desire to identify certain felt needs or experiences and find local solutions to the development problems. Turary (2002, p. 4) further argues that local NGOs are organisations that are non-profit making, not affiliated to political parties, and generally engaged in working for aid development and welfare of the community.

In Ghana for example, the local NGOs are those owned and run by Ghanaians. For the purpose of this study local NGOs are organisations founded and run by Ghanaian nationals to undertake social services, community development, assist communities fight pressing community problems like HIV/AIDS and are not motivated by profit. Local in this context implies that they have their headquarters and operations in the country. Local NGOs included National NGOs (operating on a national scale or in more than one district), Community Based Organizations (CBOs) operating in one or more districts and Faith Based Organizations (FBOs) that were founded on religion and are attached to the founding religious body.

The term International Non-Governmental Organisation (INGO) refers to NGOs that receive funding through bilateral, multilateral, or private-sector donors (Helen et al 2005). In other words International NGOs are those NGOs whose policies and systems are from their headquarters based outside the country. They are also referred to as Northern NGOS (Chuku 2007, p. 39).

2.3 The Growth and Development of Non-Governmental Organisation.

In the global context, NGOs started springing up in the early 19th century in the industrialised countries (Bridget, 1997: p.6). Bridget (1997) observes that members of such organisations were mainly from the middle and wealthy classes whose chief concern was the provision of welfare to the poor in their societies. Later in the 19th century, the philanthropists who ran the charities found the need to look beyond welfare, as more and more issues became recognized. Accordingly, groups were formed to promote advocacy and raise public awareness on political and human rights issues (Bridget 1997, p.6). A memorable effect of the activities of such groups was the abolition of the obnoxious slave trade. This action among others, added a new dimension to NGO activities, and propelled them into involvement in development issues. Indeed many NGOs today are more development oriented than just delivering welfare services. NGOs are increasingly engaged in research, advocacy, empowerment and the promotion of democracy.

Issa (2005, p. 11) reveals that NGOs in Africa flourished in 1980s and 1990s as a result of structural adjustment programme initiated by international financial institutions and development agencies such as the World Bank and International Monetary Fund. NGOs grew at this period to take over the work of the retrenching state that had been persuaded to disengage from the provision of social services to its population. Issa (2005, p. 12) further argues that the bilateral and multilateral institutions set aside significant funds aimed at mitigating social dimensions of adjustment. This was a period in which the involvement of international NGOs in Africa grew dramatically.

Decades of world-wide recessions, political instability, increasing national debts, poverty and disease, natural disasters and environmental degradation are some of the changes in the world which have made the activities of NGOs possible. More so, governments all over the world were increasingly finding it difficult to find lasting solutions to these problems. NGOs were therefore a response to the problems since they lead local people to take initiatives that can better their lives in the face of intricate difficulties.

During the last twenty-five years, NGOs in general, and more recently African NGOs in particular, have increased dramatically in number and in influence in Africa (Igoe and Kelsall eds p. 2; Michael 2004, p. 85). Although the 1980s were described as the 'NGO

decade', growth continues quickly. In Kenya, for example, the NGO sector experienced its biggest growth between 1993 and 2005, from 250 registered NGOs in 1993 to 2,232 (Vanessa 2008, p.3). In Tanzania the growth is even more dramatic. In 1990 there were 41 registered NGOs. By 2000 the figure was more than 10,000 (Reuben, 2002).

The growth of the NGO sector therefore increased rapidly to respond to the social, political, environmental and economic needs of the vulnerable and the disadvantaged nations like Ghana.

2.3.1 The Growth of Non-Governmental Organisations in Ghana

Ghana has experienced a long history of indigenous voluntary activities. However, unlike the developed countries where the rich came together to help the poor, in Ghana, the voluntary activities were of self-help ('Nnobia System') nature. According to Bridget (1999, p. 6) the famous 'Nnobia System' in some traditional communities in Ghana was one of the first forms of self-help activities which found expression in groups of people working together to solve common problems affecting them. Bob-Miller (2005), reveals that NGOs in Ghana originated as church assistance by the missionaries with the Ghanaian model of "nnobia" or self-help system. These organisations were entirely owned and managed by the local people and were aimed at promoting indigenous people's welfare. The organisations were therefore part and parcel of the general population.

Bridget (1997, p. 6) maintains that Christian Missionaries also contributed to the growth of NGOs by establishing schools and clinics in remote areas and in some of the more crowded urban centres in Ghana. In the 1950s, more voluntary organisations spearheaded by foreign organisations were established in Ghana. Notable among these are the Red Cross Society, the Society for the Blind and the Society for the prevention of Tuberculosis. These organisations were formed principally in response to problems peculiar to the urban areas

Like NGOs in the developed countries, the focus of activities of NGOs in Ghana, after independence, gradually shifted towards development. Thus, private voluntary

organisations became involved in development with a bias towards rural areas and the problem of poverty.

Available statistics indicate that the emergence and growth of NGOs in Ghana was very slow as indicated in the table 1 below.

Table 2.1: Growth of NGO in Ghana

Year	No. of NGOs
1930	3
1980s	80
1996	320
1999	945
2008	5000

Source: Bob-Milliar (2005) and GNA (2008)

From table 2.1, in 1930 only three (3) NGOs had officially been registered in Ghana but the number increased to 80 in 1980. In December 1996, 320 NGOs both foreign and local were operating in Ghana (Bob-Milliar 2005). The Department of Social Welfare in 1999 registered nine hundred (900) Local NGOs and about forty-five (45) foreign NGOs (BobMilliar 2005). As at January 2008, five thousand NGOs (both local and foreign) had registered with the Ministry of Manpower and Social Welfare (GNA, 2008), a healthy sign that the NGO concept was gaining ground in the country.

The growth of the NGO sector in Ghana coincided with a downward trend in political and socio-economic environment and it became obvious that government needed assistance in promoting development and the welfare for the poor (Turary, 2002: P.3). The upsurge of political upheaval from 1972 to 1981 triggered an economic depression that aggravated the already poor condition of social infrastructure in Ghana in the sector such as health, education and housing. The political and the socio-economic environment were responsible factors for the growth of the NGO sector in Ghana. There is now a wide diversity of NGOs operating in Ghana (Porter 2003, p. 3). With the improvement in communications, more local NGOs and locally-based groups, referred to as grass-roots organizations or

community based organizations, have become active at the national or even the global level. They are gradually taking over the role of facilitating grass-roots or local development (Turary 2002, P.4). Increasingly this occurs through the formation of partnership with other NGOs for particular goals.

2.3.2 Legal Framework of NGOs in Ghana

Prior to the drafting of National Policy on NGOs in Ghana in 2004, the 1992 Republican Constitution of Ghana provided for the freedom of association (section 21(i) and the companies code of 1963 (Act 179) required NGOs to register as companies limited by guarantee and this regulated the formation of NGOs in Ghana (Ansah, 2008 p.38).

The requirements then was for the NGOs to first register with the registrar General's Department in accordance with Act 179 and then apply to the Department of Social Welfare. The Draft National Policy on NGOs in Ghana 2004 gives the legal framework which defines NGOs and their activities and also stipulates the condition for their registration as legal entities and attendant privileges under the law.

The legal framework as given by the draft National Policy is summarized below:

1. Registration and Accreditation

- a. Civil society organization seeking to be recognized as NGOs and operate as such shall first register with the Registrar General Department. The NGO may then apply for accreditation from the Ministry of Manpower Development and Employment through the National Commission on NGOs. This is expected to place the ministry in a better position to recommend an NGO for the employment of any of the benefits that the government may confer on NGOs.
- b. To qualify for accreditation with the Ministry of Manpower Development and Employment the NGO is expected to meet certain requirement including certificate of registration from the Registrar General Department, a written constitution and contact person(s).
- c. In the district, district assemblies may be authorized to give accreditation to NGOs on behalf of the National Commission of NGOs.

2. Taxation and Exemption

Registered and accredited NGOs may qualify for privileges such as tax relief and customs duties exemption. Such privileges may be granted by the state as indirect funding aimed at lowering the transaction costs of NGOs. However, taxes shall be paid on:

- i. Incomes of NGOs employees
- ii. Substantial profit generated from commercial activities undertaken by NGOs.

3. Funding and Accountability

Government is expected to support philanthropy, fundraising and grants by international development partners to sustain effective and efficient operation of NGOs in the long term. It is therefore expected that individuals, groups and corporate firms that contribute to this course shall be granted tax relief. According to the National Consultative Group (2004 cited in Ansah, 2008 p.40) these privileges would be granted under conditions of strict accountability. NGOs shall be transparent and accountable in their utilization of public funds deriving under the privileges granted them as non-profit sharing organization.

NGOs having this legal backing now play very important roles in the socio-economic and political development of many nations particularly the developing countries.

2.3.3 The Role of Non-Governmental Organisations

NGOs provide an umbrella of services including the promotion of equality and human rights, legal services, education and training programmes. They fill development gaps where government is short. They therefore complement and supplement the state's efforts in providing sustainable development. According Lekorwe (2007, p. 7) it is through the complementary efforts of NGOs and interest groups that good governance can be promoted. These same efforts also help to ensure that government goods and services reach the grassroots, the poor, the marginalized, the disadvantaged in society, both fairly and equitably.

NGOs continue to play an important role in any developed and developing society because they help citizens participate and influence the decision making process as well as the management of public affairs. Through NGOs, citizens can make an impact on the decision making processes at both central and local government levels (Lekorwe 2007, P.7). In the views of Bob-Miller (2005), the contribution of both local and international NGOs includes transforming whole communities and lifting the misery of povertystricken rural and urban dwellers. These according to Bob-Milliar include environmental protection, services for women, the elderly and children, vocational skills, technology transfer, sanitation, water development and supplies of relief items.

Local NGOs therefore provide a wide range of services in diverse fields. These include education, health, capacity building, and agriculture. Others are rehabilitation of disabled, food security and research.

Although the activities of the foreign NGOs in the Third World have received extensive recognition, the contributions of local NGOs in socio-economic development have gone largely unnoticed. The fact is that there are hundreds of such NGOs making positive contributions within their respective countries, but are not known beyond their borders. One unique aspect of these local NGOs is their capacity to tap local human and physical resources to respond to problems rapidly and creatively.

Despite the important roles local NGOs play in the development process they are faced with a number of challenges.

2.4 Challenges of Local Non-Governmental Organisations

Research into this area produced a number of common problems and dilemmas that local NGOs experience. Among them include:

2.4.1 Lack of Organisational Structure

Most NGOs in Africa lack clearly defined structures in terms of organizational charts, buildings, facilities, equipment and human resources. In the view of Lotsmart (2007, p 39) for local NGOs to receive local sources of funding there is the need for structures to be put in place to generate local funds. As noted by Molomo and Somolekae (1999, p. 29), the key weakness of NGOs in Africa is the inappropriate organizational structures which impact the manner in which NGOs carry out their core business. Lotsmart (2007, p 41) maintains that majority of local NGOs lack such structures and operating mechanism. This makes it difficult for any local NGO to systematically generate funds locally. The major contributory factor to this is the constraint that limited financial resources places on the ability of NGOs to plan, organize and design clearly defined structures as well as equip their offices with adequate equipment and facilities.

2.4.2 Human Resources Management

Most local NGOs depend on voluntary staff to run their activities and programmes and generally do not have control over the quality of labour they obtain. Their staffing levels are determined by those who volunteer their services. Some of the personnel used to run the affairs of local NGOs are not well trained to effectively carry out their duties. According to Lekorwe (1999), (cited in Lekorwe 2007 p. 14), lack of well trained and experienced human resources limits the extent to which local NGOs are able to manage their daily affairs and their capacity to effectively plan, appraise, implement, and monitor their projects and programmes. Lekorwe maintains that most knowledgeable and experienced volunteers do not normally provide adequate support for NGOs' activities partly because of the limited time they have to render their services.

Ibrahim and Muhtesem (2006, p. 4) reveal that not all people working for local NGOs are volunteers. There are paid staffs who typically receive lower pay than in the commercial private sector. As a result staff turn-over is high in local NGOs. They further maintain that the poor quality of training or lack of importance attached to training local NGO workers contribute to the organisations' inability to raise funds. Similarly, Lotsmart (2007, p. 29)

asserts that lack of human resource capacity to raise local funds is similar to the absence of institutional mechanism for local fund raising. Lotsmart further argues that local fund raising requires people having the skills and willingness to do it as well as having a good public reputation.

This however means that expertise are needed to plan when, where, and how to seek for funds, especially in an environment where the population is poor and may be suspicious of the motives or abilities of fund raisers. Scarce funding greatly complicates the ability of local NGOs to attract high-quality employees.

2.4.3 Governance and Management

The issue of governance is key to the functioning of NGOs. It implies that the effective management of an NGO's resources is done in a manner which is transparent, accountable, equitable and responsive to the needs of the people. Since NGOs aim at becoming sustainable, governance is critical to their existence.

Lack of transparency and accountability are some of the factors impeding the effective management of local NGOs in Africa. According to Botswana Guardian (2006), some local NGOs dealing with the HIV/AIDS epidemic in Botswana have been accused of maladministration, financial mismanagement, and the misuse of donor and public funds which were channelled through them.

In addition the composition of local NGO board is not formal. The members are drawn from family or church. It is therefore possible to find the father, mother, brother, sister, auntie or church pastors constituting the Board Members. With such a board, it is obvious that decision making rest with the executive director. Such an NGO may well be situated in the executive director's home and with a cousin or brother as an administrative assistant. Due to this, local NGOs suffer from a lack of management skills, technical information and clear goals, as well as from weak organizational structures. More (2005, p. 2) supporting this assertion says that NGOs in developing countries often lack institutional capacities and resources and often manage donor funds poorly. Ramanathan 2000 (cited in Turary 2002,

p. 4) argues that local NGOs are constrained by their limited managerial and technical capacity.

2.4.4 Change of Development Approach

Most local NGOs started with the provision of basic social services like water and sanitation facilities where the beneficiaries and government bodies are eagerly waiting to see. Government and communities expect NGOs to get involved in the provision of basic social services and filling development gaps. However, donors (international NGOs, multilateral and bilateral agencies) only want to support local NGOs who are involved in development work that are in line with right based approach (Sisay, 2004). Most local NGOs depend on external resources to run their development activities. The change from Need-Based to Right-Based Approach of development has forced them to cut down on certain cost as it meant discontinuing their activities, laying off certain staff and selling their property (Sisay 2004).

To be able to overcome these challenges NGOs have to devise better strategies to operate and raise funds to stay afloat since they have compelling missions that must be accomplished.

2.5. Sources of Funding Local Non-Governmental Organisations

To appreciate the challenges of financial sustainability it is necessary to understand the potential sources of revenue for the NGO sector (More 2005, p.2). While there is, of course, tremendous variation in the sources of NGO revenue among countries and NGOs within any sector, there are at the same time identifiable trends of NGO financing. In their study of East African local NGOs, Semboja and Therkildsen (1995 cited in Barr et al 2005, p.664) for example, found that much local NGO funding comes from international donors. Hulme and Edwards (1997 cited in Barr et al 2005,) also emphasize the role of international donors in local NGO funding.

Lee (1997) also revealed that there are three sectors from which NGOs can derive their resources. These are the private sector, the general public and government/public sector. Resources from each of these sectors can originate from both external sources (i.e. international) and local (i.e. domestic or municipal public and private donors). More (2005, p.2) in a similar vein indicates that NGO revenue falls within three broad categories. They include government funding, private giving and self-generated income.

Salamon and Anheier (1996 cited in Barr et al 2005) find that NGO funding comes from three main sources. These are the private sector, public sector and self-generating income. The authors found that 10 percent of the Local NGOs funding come from private charitable giving; 43 percent come from government support and public sector payments, including grants and contracts; and 47 percent come from private fees and payments, often originating in the sale of services or products. According to the authors, reliance on private fees moves the organizations away from their charitable roots and puts them in direct competition with private businesses.

In 2003, the John Hopkins University Comparative Nonprofit Sector Project (cited in More 2005, p. 2) published a comparative analysis on global civil society based on research in 35 countries, on the sources of NGO's income. It revealed that:

- Self-generated income was the dominant source of revenue for NGOs accounting for 43 percent of local NGOs total income;
- Private giving – that is, individual, corporate and foundation-based accounting for 30 percent; and
- Government or public sector support also ranks as a significant source of NGO income constituting 27 percent.

Barr et al (2005) in their study of local NGOs in Uganda identified that the NGO sector grants received from international NGOs accounted for nearly half of the total funding in 2001 in Uganda. Grants from bilateral donors are the next most important source with grants from the local government being the third. The average NGO is less likely to receive

funding from these three sources and more likely to depend on non grant income. Furthermore the authors discovered that the local NGOs derived very little revenue from members and non-members, with only 2.5 percent of all funding coming from these sources.

On Self-generated income the authors identified that only one-third of NGOs own a business, the profit of which is used to finance NGO activities. Again Barr et al (2005) observed a high concentration, with a small number of NGOs accounting for most of these businesses. The types of business run by Ugandan NGOs according to the authors are extremely varied, with farming, restaurants and retail outlets being most common. Business income, fees paid by beneficiaries, and other income are more important sources of revenue for small NGOs than for large ones.

The three sources of funding are discuss below

2.5.1 Private Sector Source of Funding Local NGOs

In countries where there is some economic growth recorded with a presence of a vibrant private sector, NGOs look upon the corporate agencies as major sources of funding. These corporate groups according to Lotsmart (2007, p. 27) have Corporate Social Responsibility (CSR) agenda for enhancing equity, social justice and development. Besides, in the present times, some corporate agencies are also partnering with NGOs for joint profit-oriented projects. Private giving usually comes in the form of cash and inkind donations from individuals, businesses, and foundations or other grant-making legal entities. The efforts of volunteers may also be considered donations and can be embraced by the concept of philanthropy. Another source of funding for NGOs is from the private charities/foundations/international organizations that are more privately handled and have a better focus on equipping local NGOs. It provides financial and technical resources to them. Donations and gifts, mostly from individuals or informal groups are also sources of funding for NGOs. According to Lotsmart (2007, p. 26) donations come from individuals or groups such as churches, foundations and private firms. They may take the form of cash or in-kind materials.

2.5.2 Public Sector Source of Funding Local NGOs

In some countries, the local governments are a major source of funding as they have different community welfare and development schemes which NGOs can apply and raise resources and implement projects. The public sector provides various types of subsidies to non-governmental organizations (NGOs).

Government funding includes a broad range of direct and indirect support. The UNDP (1993 cited in Lotsmart 2007, p. 27) noted that one-third of NGOs funding come from governments through varied degrees such as subsidies, government grants, and contracting. Exemptions from taxation can be considered a government subsidy. During the last term of Clinton (United State President 1993 -2000) administration for example, the White House support to NGOs increased from 13 percent to 50 percent through USAID assistance. In addition, most embassies of developed countries residing in the developing countries fund local NGOs (Lotsmart 2007, p. 27).

2.5.3 Self-generating Income

Self-generated income includes membership dues, fees and charges for services (that is, economic activity), as well as income from investments. According to More (2005, p. 3) NGOs are able to engage directly in economic activities, within certain defined limitations. Incomes from their economic activities are exempted from taxation, albeit to a limited extent.

The sources of funds for local NGOs identified above are from both external and internal sources. The external source can come from governments, corporations etc whilst internal

source can also come from governments, corporations and business income as discussed below.

2.6. External Funding for Local NGOs

The search for external funding is necessary for the survival and development of local NGOs (Fernand 2006, p. 23). According to Liang (2003, p. 13-15 cited in Andreas, 2005, p. 25) the availability of international funding sources is surely indispensable in the initial stage of local NGO sector. Contributing to the discussion, Lotsmart (2007, p. 29) noted that local NGOs in Cameroon are principally funded externally. They seek support from governments, corporations, the related private sector and rich individuals willing to help.

Barr et al (2005, p.665) in their study of local NGO in Uganda argue that the NGO sector grants received from international NGOs account for nearly half of the total funding in 2001. Grants from bilateral donors are the next most important source with grants from the local government being the third. Fafchamps and Trudy (2006, p. 23) observe that grants represent about 80 percent of local NGOs funding in Uganda.

In his study of challenges of NGOs in Anglophone Cameroon, Lotsmart (2007, p. 32) revealed that dependency of local NGOs on external funding depicts mixed results of possible impacts on the lives of local NGO and the state as a whole. From positive perspective Lotsmart (2007, p. 35) argues that external funding through state or local NGO strengthen North – South relationship. Lotsmart (2007, p. 36) further argues that external funding through local NGOs provides opportunity for apprenticeship development. What this implies is that local NGOs can sit back and learn the art of financial management and project management from old and experienced external NGOs.

In contrast, Liang (2003, p. 13-15 cited in Andreas, 2005, p. 25), however, reveals that strong dependency from external funding can be a serious problem for the long-term development of local NGOs. The author further maintains that international donors operate according to their own goals and project management styles, and local NGOs have to conform to their requirements in order to receive financial support. As NGOs have to

respond to the changing needs of their local membership, the creative development of local NGOs could be constrained by the standardized assessment methods of foreign governments and international foundations.

Similarly, in the view of Fernand (1994 cited in Fernand 2006, p. 25) an NGO which receives more than 30 percent of its funding through an external agency, is not free in its actions and above this percentage, the NGO could find itself in a very difficult situation in case of separation between the NGO and the donor due to strategic factors. Turary (2002, p. 41) stated that in a situation where a greater proportion of an organisation funding comes from external sources it will have an effect on the long run in the case of withdrawal of external funding.

This means that any organisation that depends solely on external funding will not be in a position to finance some of its initiated and laudable projects. The much reliance on external funding therefore makes it difficult for local NGOs to accomplish their stated objectives.

Fernand (2006) further argues that, external financing tends to impose some degree of constraint on local NGOs. The biggest challenge for the local NGOs therefore seems to be to take into consideration the demands of its donors, because losing the financial aid would have severe consequences not only for the activities, but also for remunerated personnel. NGO 'self-control' appears more frequently than one would think and it is for this reason that it is something to be carefully watched. Contractual arrangements often contain negative restrictions or conditions for the NGOs (Fernand, 2006). Fernand in substantiating the claim used the following examples:

- The donor partner can impose choices and methods of handling funds on the NGO's projects. For instance, the stipulation to pass assigned funds through a UN agency makes programme management more difficult and deprives the executing organization of a percentage of 'administrative expenses'.
- The donor partner's choice to finance their own projects and not the local NGOs.

- The participation of the aid agency in the form of technical assistance provided by permanent personnel of the same nationality and remunerated directly by the agency.
- The limited duration of the contract gives the aid agency a great amount of power and obliges the Local NGO to negotiate and renegotiate every year or every 2 years the requested aid.
- The distribution and allotting of aid for specific expenses, which could be easily financed by other agencies and the refusal to finance 'that which cannot be financed' (by the NGO) representing the costs of personnel, missions, or general expenses. This obliges the NGO to limit the number of administrative staff members.
- The use of the 'project approach' and of planning and evaluation tools (logical frameworks) which are aid tools and not tools for internal administration of the NGO and which oblige the local NGOs to state outputs which they know from the outset will not be met.
- Local NGOs are forced to accept disbursement plans in regular instalments often to the advantage of the donor agency (the interest from investments stay accredited to the donors, who received the funds in a single deposit at the beginning of the year) rather than favouring the NGOs, which may, due to this disbursement approach face difficulties in complying with its commitments.
- Conditions, such as having to return investment interests of the unused funds according to the expenditure plans.

Constraints like these often have an effect on the successful development of projects and sometimes on the structures of local NGOs resulting in delays in payment of wages, lack of funding for projects and priorities of the local NGOs coming after the donor's priorities.

As Eade (2004, p. 78-79), argues in a special issue of *Development in Practice* that: '*any external funding has repercussions on reporting and encourages corruption by centralizing the power in the hands of those who are assigned the job of fundraising.*' local NGOs must

not depend solely on external funding as foreign funding is declining, it must look for funding internally.

2.7 Internal Funding of Local NGOs

As foreign funding declines, local NGOs are increasingly looking to domestic sources of support (Warner 2008, p. 33). Internal revenues can have several sources which include: members' contributions, donations from friends and sympathizers sharing the same values, enrolment fees for organized events, income from publications sales, income from investments of reserves and capital; and income from productive activities.

The potential of internal funding is unfortunately not always used by the local NGOs because according to Fernand (2006, p. 26) rarely will local NGOs get more than 20 per cent of their income from this source.

Supporting this claim Fafchamps and Trudy (2006, p. 23), revealed that, internal and local funding for local NGOs in Uganda account for less than 3 percent of their total revenue. In his study of sustainability of local NGOs in Ghana, Turary (2002, p.40) observed that Youth Development Foundation a local NGO in Kumasi raised 7 percent of its income internally through individuals and cooperate bodies donation while external source from donor agencies and international foundations accounted for 93 percent of the total income of the organisation in 2001. Andreas (2005, p. 24) argues that Chinese local NGOs face serious problems when trying to raise funds from the Chinese population or from private enterprises. The reasons for this situation according to Andreas (2005) are that China's local NGOs lack an effective institutional structure for charitable contributions and do not have a strong philanthropic culture such as Western societies. The result is that the vast majority of Chinese local NGOs have financial problems. Local NGOs in China for example receive on average less than 20 percent of their funding from a combination of membership fees and donations from Chinese individuals and business enterprises. This means that on average between 80 percent of Chinese local NGOs funding comes from international sources, such as foreign governments and international NGOs or foundations.

Huang Haoming (cited in Andreas 2005, p. 29) reports that his organisation receives nearly 100 percent of its funding from overseas sources. The organisation's 20 major donors include the governments of Finland, Japan and Germany, as well as foreign NGOs and the United Nations Center for Regional Development.

In contrast, Bailey (1999) argues that environmental NGOs in Brazil generated an impressive 80 percent of their income domestically from corporate bodies and individuals philanthropist. Turary (2002, p.40) also reveals that CEDEP a local NGO raised 91 percent of its income internally through consultancy, training and research while external was only 9 percent in 2001. The Organizacao de Ajuda Fraterna, a center for street children in Brazil, covers all of its annual expenses from the sale of furniture and hospital equipment, while simultaneously providing job training and income for its constituents. Child Relief and You (CRY), in India, generates nearly 50 percent of its annual income through the sale of greeting cards, office paper products and children's toys in India and the US. FUNREDES, in the Dominican Republic, covers over 70 percent of its operational expenses by offering internet and website design services to for-profit companies. The Lotus Foundation, a Czech environmental NGO, has succeeded in generating about a third of its annual operating budget through its desktop publishing services for NGO and for profit clients.

NGOs raising funds from both external and internal for their operation use a variety of methods. The next session therefore looks at the NGOs funding mobilization methods and their sustainability.

2.8 NGOs Methods of Resource Mobilization and Sustainability

NGOs resource mobilisation is generally considered to be a non-profit, altruistic activity carried out for the benefit of a particular cause. However, among the most pressing questions facing the NGO sectors is financial sustainability. To appreciate the challenge of financial sustainability, it is necessary to understand the potential methods of resource mobilization for the NGO sector. This is because NGOs obtain their funds through a variety of methods. These methods include the following:

2.8.1 Canvassing or Face-to-Face Fundraising/Solicitation

This is the traditional form of attracting resources for NGOs particularly the northern NGOs. In the UK for example, NGOs largely depend on an army of volunteers and on paid professionals who make house-to-house turns and organize jumble sales and social events that make profit (Anderner and Fondjong 2004, cited in Lotsmart, 2007, p. 18). It is a very effective resource mobilization method and one that is increasingly being used by NGOs. Face-to-face solicitation is when representatives are employed to attract potential donors on the street, at train stations or other public venues. According to Fundraising Institute of Australia (2004), canvassing helps NGOs reach a wider audience and attract potentially long term donors. More often than not, NGOs hire employees from companies that specialise in this method of fundraising. This increases the organisation's administrative costs, diverting funds away from its development activities.

2.8.2 Television Advertising

It is a method employed by only a handful of development NGOs, including World Vision, Doctors without Borders and Save the Children. Like face-to-face solicitation, television advertisements are effective in reaching a wider audience that may not already have exposure to development NGOs. Unfortunately, television and other media advertisements can arguably be exploitative, using images of starving children to invoke an emotional response rather than seeking to educate people about the activities of the NGO or to critically engage with development issues (AID/WATCH 2008)). Advertisements are also extremely costly to air, particularly during prime time evening television, adding to an NGO's administrative costs.

2.8.3 Direct mail-outs

These are a common fundraising strategy that can also be expensive if the cost of sending out the mail-outs far exceeds the expected return. To minimise the cost of mail-outs, smaller NGOs only mail out letters to members and at advantageous times of the year, such as Christmas appeals, and end-of-financial year mail outs (AID/WATCH (2008).

2.8.4 Strategic Donor Fundraising/Grant Writing/Proposal

This fundraising method is from international donors and/or foundations. Private foundations, multi-lateral institutions and government agencies are some of the main funding sources of NGOs (Lotsmart, 2007 .23). Most of these organizations require a formal grant proposal in order to consider a request from potential applicant (Kavita, n.d, p. 9). The first step before an organisation contacts these institutions is to learn about their specific criteria and grant proposal procedures. Understanding their unique funding processes will help the organisation target its fundraising efforts. The underlining factor of this method is that local funders are generally more open to supporting emerging or grassroots groups, while larger international funders tend to focus on well-established mid-sized or large organizations. Examples of local funders include religious organizations, foreign embassies or consulates, or local branches of government. Larger funders include donors like UNICEF, the European Union (EU) or the United States Agency for International Development (USAID). Securing grants from institutional donors is very challenging, especially for small organizations, but the task is not impossible (Kavita n.d. 9).

2.8.5 Membership Service Development

This is where NGOs work to establish, expand and/or strengthen their membership. According to (Ceasar 2006, p. 6) NGOs use their assets to develop comprehensive mission driven member service packages to attract and sustain members and receive funding from membership fees. While membership dues will likely be just one part of organisation fundraising activities, they can represent a regular and secure source of income (Kavita, n.d, p. 7). Just as donors may feel more motivated to continue giving when they are aware of the impact of their gift, members of an organisation will be more likely to contribute dues if they are aware of the benefits that membership provides them.

2.8.6 Government Funding

This is another potential source of funds for International Development NGOs as well as private funds through investments and corporate grants. Government funding can affect an organisation's independence and the flexibility of operations if it must answer to the government, potentially limiting its commitment to poverty reduction as well as its accountability to the public (AID/WATCH (2008).

An obvious consideration when an NGO receives corporate or government funding is how this affects their ability to be critical of, either government policy or corporate interests and practices. For this reason, organisations that wish to be wholly independent will refuse such funding. However, even an NGO which receives a grant from a philanthropic organisation is not immune to the interests of its funders. In this case, limitations can exist in terms of how NGO project funding needs relate to the funders expressed priorities. Ultimately, NGOs must be accountable to their funders.

2.8.7 Social Enterprise/Fee for Service

Social Enterprise (SE) is one of the Methods adopted by NGOs to mobilise funds for their operations (Ceasar, 2006 p. 6). Social enterprise is any socially responsible incomegenerating activity whose revenue is used to support the organization's mission (AIDWATCH, 2008). It is an emerging financial diversification methodology where NGOs use market-based approaches to earn commercial income. Social enterprise/fee for service technique develop NGOs' capacity to incorporate for-profit business planning (including planning in marketing, finance, production, and human resources/operations) to develop full-fledged commercial enterprises (i.e. a microcredit company) or simple profit making activities (i.e. fee-based training). Profits accrued from these activities build up an NGO's discretionary financial assets that can be used to fund NGOs institutional costs, future investments, new products and services, etc. In 2004, United State's NGOs were able to increase their funding to 80 percent through social enterprise (Ceasar 2006, p. 3).

2.8.8 Public/Private Partnership (PPP) Development

This method of funding according to (Ceasar 2006, p. 6) focuses on building the capacity of NGOs to enter into joint contractual fee-based partnerships with public or private sector (i.e. with business and/or governments) to carry out a mutually beneficial service to the community. Contracting business partnerships with government and corporate entities are a natural choice for NGOs as they entail leveraging tangible and intangible assets that can be useful to those sectors. With the rise of the Corporate Social Responsibility (CSR) and Social Partnership Programmes, PPP development is a huge, virtually untapped market of future NGO financing. As a result of this method, there is intense competition among local NGOs to acquire a partner, because having a partner is crucial to accessing funding (Porter, 2003 p. 135)

2.8.9 Traditional Fundraising

The traditional fundraising programmes focus on individual donations, bequests, direct marketing campaigns, telemarketing, internet giving and one-time/recurring fundraising events. Traditional fundraising programmes are fortunately starting to gain support even though they are many times overlooked in developing countries due to the supposed lack of historical individual philanthropy (Ceasar 2006, p. 6).

In light of the decrease in international donor support for NGOs there is the need for local NGOs to find alternative methods of fund raising. Some of the traditional methods as described above are not sustainable. Local NGOs must look for methods that will integrate market oriented approaches and non-profit financial diversification strategies into a single comprehensive NGO financial sustainability methodology (Ceasar 2006, p. 3).

Emanating from the above, if local NGOs can smartly develop diversified profit-making strategies that truly lead to both long term future financial growth and positive societal impact, then local NGOs will not only be able to garner greater support from their constituencies and stakeholders; but they will be able to do so in a sustainable way that will break their constant dependence on international donors who often have their own priorities when giving money.

The next section looks at the inferences or logic made from the literature.

2.9 Deduction from the Literature Review

The literature has outlined the roles local NGOs play in society especially as providers of services, catalyst of social capital and advocates for vulnerable groups. They therefore complement and supplement government efforts in providing development programmes and project to the disadvantage communities. Despite the important roles NGOs play in the development process they are beset with some challenges. The most commonly identified weaknesses of the sector include; limited financial and management expertise, limited institutional capacity and low levels of self sustainability.

The literature reveals the various sources of NGOs funding and stated that NGOs raise much of the income from external sources. The literature was limited on the reasons for the absence or inadequacy of local funding for local NGOs. The study will therefore examine the reasons for the absence of local funding of local NGOs.

Again, the literature provided the methods local NGOs use to raise funds. However, the literature was not able to determine which of the methods will help local NGOs to generate sustainable funds and to make informed choices. The study will therefore collect data on the methods and analysis them for local NGOs to make informed choices. This will help local NGOs to have a long term financial sustainability.

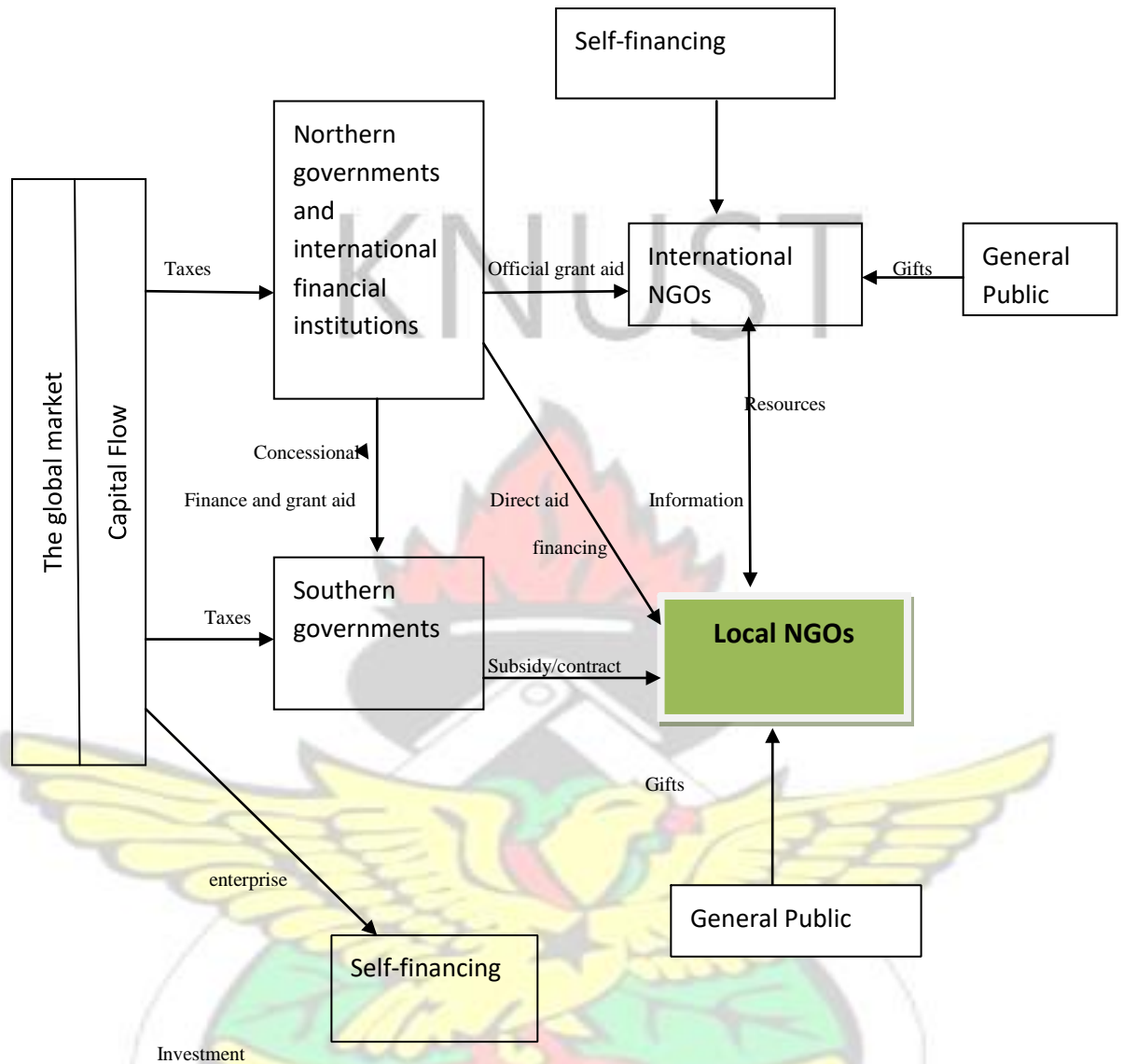
2.10 Conceptual Framework

Before getting onto the empirical analysis there was a need for conceptual framework with which to interpret the data. To this effect, a simple funding source for NGOs has been constructed in the figure 2.1.

Figure 2.1: Conceptual Framework of NGOs Funding Source.

KNUST





Adapted from Alan Fowler, (1999 p.11)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology of the study. It describes and justifies the methods and processes that were used in order to collect data in answering the research questions. The chapter also focuses on the research design adopted, sampling techniques, the key study variables and units of analysis. The rest are the sources of data and methods of data collection as well as methods of data analysis. The chapter finally ends with a brief background of Brong Ahafo Region which is the study area.

3.2 Research Approach

The research relied on both qualitative and quantitative approaches to research. The survey research approach was adopted to investigate into the financing local NGOs due to the contemporary nature of the subject matter.

According to Bryman and Bell (2003 p. 49) survey research is where data are collected predominantly by questionnaire or interviews on more than one case and at a single point in time. The process is meant to collect quantitative and quantifiable data in connection with two or more variables. Bryman and Bell (2003) further claimed that survey research is invariably concerned with generalising findings to larger population by using simple random to enhance the representativeness of the sample. Based on this, the study was conducted in Brong Ahafo Region using interview guides, and both structured and semistructured questionnaires to elicit the required responses.

3.3 Variables of the Study

For the research problem to be investigated, it is important to identify variables and how they will be measured. This section looks at the key elements of the research problem which enables the researcher to move from conceptual to empirical levels (FrankfortNachmias and Nachmias 1996, p. 55). The variables that were studied include the proportion of local NGOs funding received from internal and external sources, adequacy of funding, reliability of funding source and sustainability of these sources of funding. Information was gathered around these key variables.

A set of indicators (See Table 3.1) were developed to measure the sustainability of NGOs financing. They were used to assess the sustainability of the sources of funding for local NGOs in Brong Ahafo Region.

Table 3.1: Indicators for Measuring the Sustainability of Local NGOs Financing

Variable	Indicators of Measuring sustainability of Local NGOs	Purpose
<i>Financial Sustainability</i>		
Amount of internal source of funding	1. High if it is more than 70% 2. Medium if it is between 40 and 69% 3. Low if it is less than 40%	1. To access the sufficiency and adequacy of the source 2. To determine whether local NGOs depend so much on the source
Amount of external source of funding	1. High if it is more than 70% 2. Medium if it is between 40 and 69% 3. Low if it is less than 40%	1. To access the sufficiency and adequacy of the source 2. To determine whether local NGOs depend so much on the source

Source: Authors Construct, 2010.

3.4 Units of Analysis

The units of analysis constitute the most elementary part of the phenomenon under study (Frankfort-Nachmias and Nachmias 1996, p. 53). They are the basic units of investigation. According to Kumekpor (2002), the units of analysis in any investigation refer to the actual empirical units, objects and occurrences which must be observed or measured in order to study a particular phenomenon. This is because they influence the research design, data collection and data analysis decisions. In an attempt to provide hints as to how this was done effectively, Patton (1990), for instance, points out that the key factor for making the decision about the appropriate unit of analysis rests on what unit the researcher wants to

discuss and draw conclusions at the end of the research. In this regard, the units of enquiry in this research were the local NGOs operating in Brong Ahafo Region, District Assemblies and Brong Ahafo Network of NGOs.

3.5 Sampling Technique

Kumar (1999) explains that a sample is a sub-group of the population which is an ideal representative of the entire population. Researchers usually cannot make direct observations of every individual in the population they are studying. Instead, they collect data from a subset of individuals (a sample) and use those observations to make inferences about the entire population (Zickmund 1991 cited in Muzinda 2007, p.88).

The nature of the study allowed the use of purposive sampling where local NGOs that can be traced were investigated. In this regard a purposive sampling technique was used to select local NGOs that have registered with Department of Social Welfare and are members of Brong Ahafo Network of NGOs (BANGO). The sample was drawn from the list of Brong Ahafo Network of NGOs (BANGO). Local NGOs that are members of BANGO were targeted for two reasons:

- a) BANGO is the recognized voice for civil society organizations in the region and member organisations are very active and functional (BANGO, 2009).
- b) Membership to BANGO requires the organisation to have a physical address and designate a contact person for the organisation, which made it convenient for the researcher to trace the organisations and collect data from them.

3.5.1 Reason for the Sampling

Empirically supported generalizations are usually based on partial information. This has been supported by Frankfort-Nachmias and Nachmias, (1996), who said that it is often impossible or extremely expensive to collect data from all the potential units of analysis covered by a research. Frankfort-Nachmias and Nachmias (1996 p. 179) maintain that the

researcher can draw precise inferences on all units based on relatively small units when the units accurately represent the relevant attributes of the whole unit.

The reasons for using a sample rather than collecting data from the entire local NGOs in the region are self-evident. For research, investigations involving several hundreds and even thousands of elements, it would be practically impossible to collect data from or test or examine every element. Even if it were possible it would be prohibitive in terms of time and cost.

3.5.2 Sample Frame

The sample frame is the list of all sample units in the population. In this study the sample frame consisted of all local NGOs registered with BANGO operating in the Brong Ahafo Region. The total number of local NGOs which represents the sample frame was 76.

3.5.3 Sample Size Determination

The study collected information on the sources of funding of local NGOs, the challenges they face and details about their personnel. A two-step sample selection process was used. In the first step, the researcher identified a list of districts in which data collection was to take place. For sampling purposes a local NGO was said to belong to a particular district if its headquarters was in that district. In this regard, 18 out of 22 districts were identified to have local NGOs headquarters and offices.

In order to draw a random sample of local NGOs the researcher first collected a list of all active local NGOs in the selected districts. The starting point for this task was the record of the NGO registration department at the Department of Social Welfare. As of December 2009, approximately 104 local NGOs were registered with the Department.

However, not all of these were operational. So, before sampling the register for the selected districts were updated and verified from BANGO. A total number of 76 local NGOs were found to have registered with BANGO and operational within the Brong Ahafo Region. With a confidence interval of 90 percent, the sample size was determined using the formula given by Miller and Brewer (2003) below.

$$n = \frac{N}{1 + N(a)^2}$$

Where:

n= the sample size, N= the sample frame and α = the margin of error (10%).

A sample size of 43 was arrived at as follows: $n = \frac{76}{1 + 76(0.1)^2}$

A sample of 43 local NGOs was then drawn randomly using simple random technique from 76 operational local NGOs that could be traced for the study. The simple random sampling technique was operationalised by first assigning numbers to the sampling units within the sample frame. The numbers were then kept in a box. The numbers were randomly picked from the box till the sample size was reached.

3.6 Data Type and Scope

Data required for this research hang on literature on the concept, governance and management issues of local NGOs, staff composition, major sources of funding, conditions attached to the funding, adequacy of the funding sources, funds utilization, funds mobilisation methods and challenges of local NGOs.

Data collected was limited to information provided by various authors and publishers on NGOs financing.

3.7 Sources of Data and Methods of Data Collection

Even though the research was basically institutional, it relied on both primary and secondary source of data. The use of secondary data provided a better understanding of the concept of financing local NGOs in developing countries and Ghana in particular and how

local NGOs will be able to achieve financial sustainability. Secondary information (both published and unpublished) relevant to the study were obtained from articles, journals, newsletters and institutional records, thesis, books, annual reports as well as the internet.

Primary data was collected during field research with 43 sampled local NGOs. The researcher administered questionnaire to directors/founders of local NGOs and interviews with BANGO executives and district assemblies where the sampled local NGOs operate. The researcher made appointments to meet the interviewees in their offices and their time of convenience. During each interview, the researcher took down notes, which were transcribed after the field research for deeper analysis.

3.8 Data Collection Tools and Instruments

The data collection tools that were employed in the research included the use of semistructured questionnaire, interview guide, and a pocket notebook.

The questionnaires were used for the data collection from the sampled local NGOs whilst the interview guide was used for the District Assemblies and BANGO executives. Under this, a set of close and open ended questions were set and administered through a random sampling technique targeting the directors of 43 local NGOs.

3.9 Methods of Data Analysis and Reporting Framework

The data that were collected from both primary and secondary sources were collated, synthesized and analyzed using both qualitative and quantitative analytical techniques to draw valid conclusions and inferences. Tables, charts, percentages and graphs were used in the case of the quantitative technique, while descriptions were used in the case of the qualitative analysis.

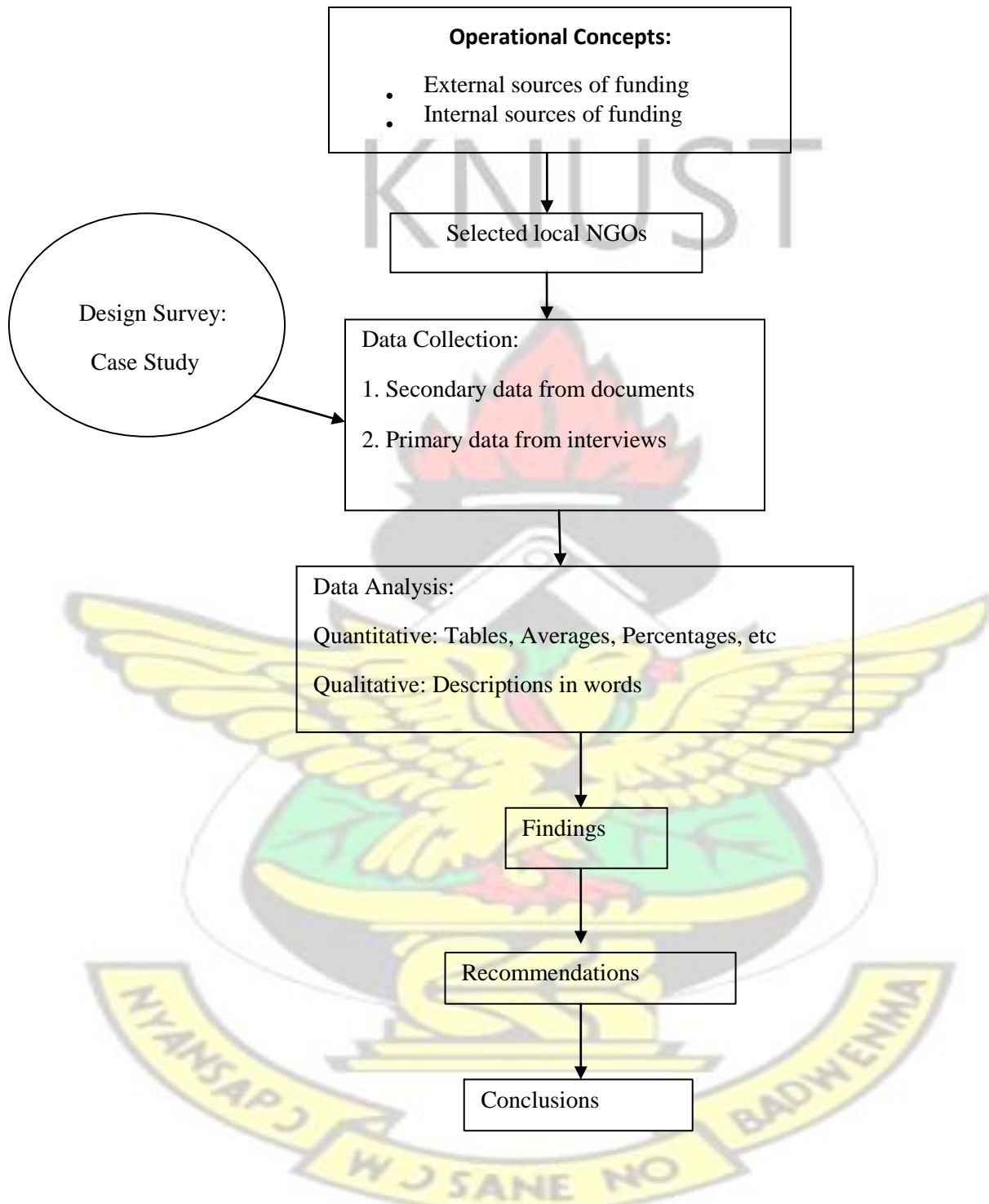
The findings and recommendations of the analysis then emerged as to what local NGOs funding sources were in Ghana. Figure 3.1 below is a diagrammatic illustration of the data analysis and reporting mechanism adapted from Waugh (1995) which gives a summary of the key features of the analytical framework. Figure 3.1 therefore is a summary of the

methodology and the analytical techniques adopted for the study. From the figure, the details of the stages of the research methodology adopted are shown.

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Figure 3.1: Framework for Data Analysis and Reporting



Source: Adapted from Waugh (1995 p. 403)

3.10 Brief Background of Brong Ahafo Region

The Brong Ahafo Region is one of the ten regions of Ghana. It lies within longitude 0° 15'E to 3° W and latitude 8° 45"N to 7° 30'S. The Region shares common boundaries with five regions which are Northern Region to the North, Ashanti and Western Regions to the South, the Volta Region to the East and the Eastern Region to the South East. It has an international boundary to the west which it shares with La Côte d'Ivoire.

It is the second largest Region in Ghana and has an area of 39,557 sq. km. The region is divided into 22 administrative districts. It has 7 Municipal Assemblies and 15 District Assemblies with Sunyani being the regional capital.

With a population of 1,815,408, indicating an intercensal growth rate of 2.5 per cent over the 1984 population figure (Ghana Statistical Service, 2002), Brong Ahafo is an area of vast but largely untapped potential, not only economically, but also socially and culturally. NGOs (both local and international) operate in the municipal and district assemblies.

3.10.1 The NGO Landscape in Brong Ahafo Region

The region acknowledges the important role NGOs play especially in reaching underserved communities, the vulnerable and marginalized in society. Before 1980 very few NGOs were operating in the region. Those that were in existence were mostly church based providing services to the poor in deprived communities. However, since the 1990s there has been significant growth in the NGO sector with about 110 registered NGOs now in existence. Six of them are international NGOs and 104 are local NGOs (Department of Social Welfare, 2009).

The NGOs interventions in the region include Education, water and sanitation, women rights and agriculture and food security. These form the basis for intervention areas of empowering the poor, the excluded and the vulnerable to claim their rights. Other intervention areas include HIV/AIDS situation, vocational training, advocacy and research, environmental protection issues and good governance.

The international NGOs programme delivery in the region is based on partnership and this is done with local NGOs and communities. The NGOs view communities as partners and critical actors and not as beneficiaries of development interventions.

The operations of NGOs in the region are regulated through the Department of Social Welfare. The regional and district offices maintain regional and district registers of NGOs in the region. The District/Municipal Assemblies monitor the activities of the NGOs operating in their neighbourhood by calling for and examining their annual reports.

3.10.2 Type of NGOs Operating in the Region

The type of NGOs operating in a geographical area reflects the local realities and characteristics of the area. These local realities and characteristics include: the level of education of the people, their traditional and religious beliefs and value systems, their attitudes and aspiration and other relevant socio-economic and cultural characteristics. All these internal characteristics influenced the type of programmes, projects and activities that NGOs will be devoted to and thus account for the unique nature of NGOs operating in a geographical area.

The principal groups of NGOs very common in the region are development and action NGOs. Development NGOs are organizations which address the direct needs of the poor and poor communities through the provision of physical development oriented projects. They focus more on poverty reduction programmes, education, health, agriculture and food security, water and sanitation, vocational training and income generating activities. They execute projects that have to do with infrastructure development (water, schools and health projects), income generation (agriculture, credit schemes and dairy improvement), better environment (resource conservation) and health care (HIV/AIDS and reproductive health). The local NGOs in the region focus on poverty and their goal is usually to provide the under privileged people with the means of survival.

The action NGOs function as watch dog of the society. They challenge human oppression, human rights abuse and marginalisation and seek to restore human freedom, dignity and self-esteem in the region. However, the activities of these Local NGOs are considered as a

threat to the district/municipal assemblies in the region. This is because they expose ills, injustices, and corruption of the society with the aim of fighting for justice, transparency and equity.

The survey revealed that there was no local NGO in the region that was purely development or action oriented NGO. The local NGOs in the region try to touch on every sector of society depending on where the funding is coming from, although they have their focus on particular activities.



CHAPTER FOUR

LOCAL NON-GOVERNMENTAL ORGANISATIONS FUNDING SOURCES AND OPERATIONAL CHALLENGES

4.1 Introduction

This chapter is dedicated to the analysis of data collected from the field. It should be noted here that, data analysed were not only from the field survey. In this regard basic features of local NGOs such as governance and management, sources of funding, methods of resource mobilisation and the challenges that beset the local NGOs are covered under this chapter.

4.2 Profile of Local Non Governmental Organizations

Background information about the local Non Governmental Organizations, in relation to the year of establishment, programmes being undertaken, staff categories and their educational qualification as well as the existence or non-existence of Board of Directors were gathered from respondents. The detail of the outcome is given below.

4.2.1 Year of Establishment

From table 4.1 28 percent of local NGOs sampled for the study, were established before 1995, 23 percent between 1995 and 2000, 35 percent between 2001 and 2005 while 14 percent were established after 2005.

Table 4.1: Year of Local NGOs Establishment

Year	No of Local NGOs	Percentage
Before 1995	12	28
1995 - 2000	10	23
2001 - 2005	15	35
After 2005	6	14
Total	43	100

Source: Field Survey, 2010

4.2.2 Programmes of Local NGOs in the Region

Local NGOs are basically into governance, education health, agriculture, disaster management and water and sanitation programmes. These programmes are geared toward poverty reduction of the marginalized and disadvantaged communities in the region. Table 4.2 shows the intervention areas of the local NGOs in the region.

Table 4.2 Programmes of Local NGOs

Programme	No of Local NGOs	Percentage
Governance	14	32.6
Education	11	25.6
Health	7	16.3
Agriculture/food security	6	14.0
Water and sanitation	5	11.6
Total	43	100

Source: Field Survey, 2010

From table 4.2, the majority of the local NGOs in the region (32.6 percent) were into governance. Only 11.6 percent of the local NGOs were into water and sanitation. However, 23 percent of the local NGOs managed more than one programme.

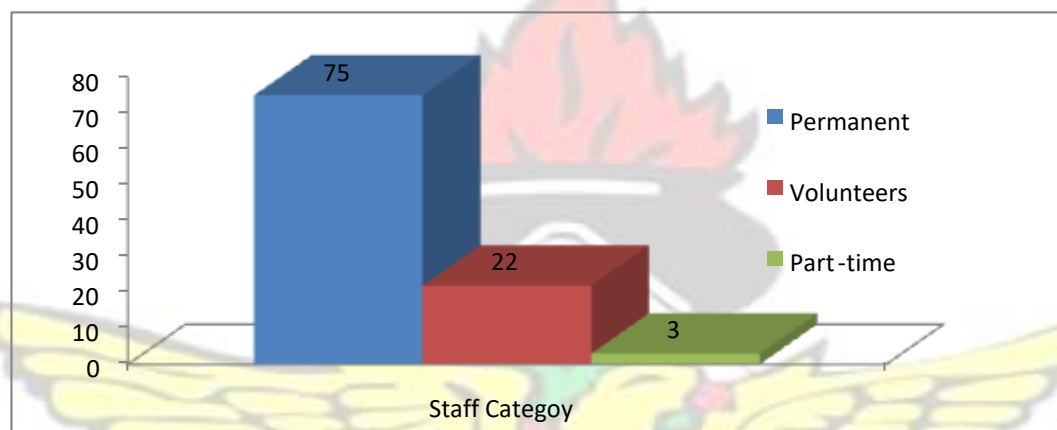
4.2.3 Governance and Management Issues of Local NGOs

Governance and management are key to the local NGOs funding. Where there are effective and efficient governance system local NGOs are attracted by private corporate bodies and individuals for funding. This section therefore looked at the staff composition of local NGOs, staff qualification and board of directors in local NGOs management.

4.2.3.1 Staff Composition

The staff composition of the local NGOs is important as it informs the category of staff, their qualifications and experiences. This gives an indication of their capacity to manage programmes and funds. The staff in local NGOs would be generally group into permanent, volunteers and part-time staffs. From the study the same composition exists in local NGOs operating in Brong Ahafo Region. There are 228 staff employed by the 43 local NGOs surveyed. They were made up of: permanent staff (75 percent), volunteers (22 percent) and part-time (3 percent) as shown in the figure 4.1 below.

Figure 4.1: Staff Composition of Local NGOs



Source: Field Survey, 2010

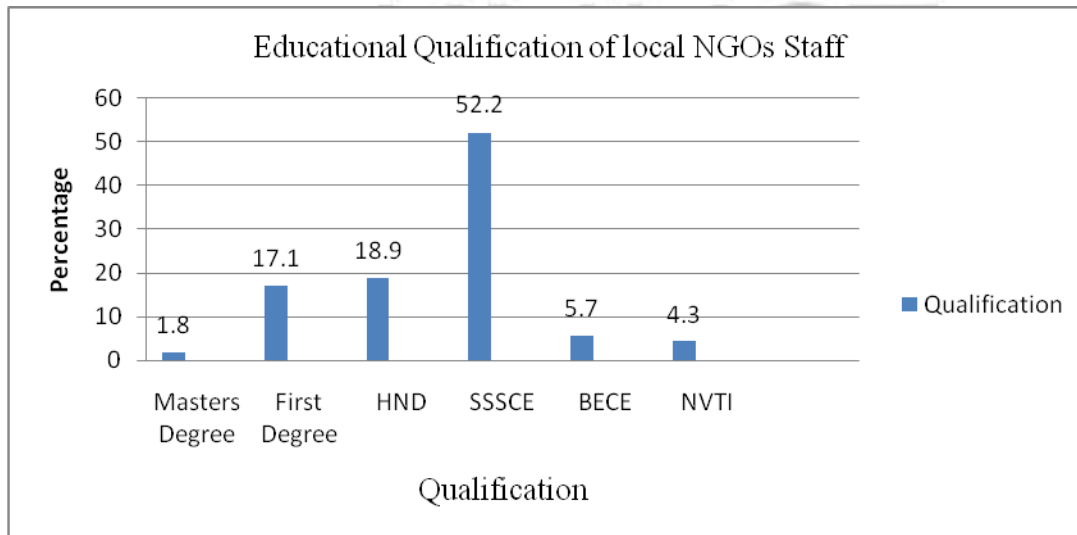
Figure 4.1 shows that 75 percent of the staff members of the local NGOs in the region were permanently employed whereas 25 percent were volunteers' mostly young school graduates looking for employment. The 25 percent voluntary workers were employed mostly by well established local NGOs who can afford some allowance such as transportation and lunch. The volunteers are often either national service personnel or Senior High School graduates.

4.2.3.2 Educational Qualification of Local NGOs Staff

All the staffs of the sampled local NGOs have had some form of formal education. About 2 percent of the employees of the local NGOs sampled had Masters Degree while 17.1 percent had First Degree, 18.9 had Higher National Diploma certificates. The majority of the employees (52.2 percent) were Senior High School graduates, whilst 5.7 percent were

Junior High School graduates, and 4.3 percent had National Vocation and Technical Institute Certificate. Figure 4.2 presents the details of the results.

Figure 4.2: Educational Qualification of Staff



Source: Field Survey, 2010

From figure 4.2 above about 62.2 percent of local NGOs workers have academic qualification below Higher National Diploma. This means that 62.2 percent of local NGO workers were in the lower level management. This, according to the study had adverse effects on the effective implementation and management of programmes, projects and funds. From the study, only SODIA and Mission of Hope had staff with Masters Degrees. This according to the respondents has helped them to win projects from donors.

The staff of local NGOs were further grouped into managerial, field workers and supporting staff. The managerial staff was composed of personnel with a minimum of Higher National Diploma. They were assumed to be highly skilled. They constituted 37.8 percent. However, four organisations (SODIA, Mission of Hope, CSD and Good Shepherd) had 36 percent of this category of staff. These four organisations had high quality staff and commanded the highest percentage of the total income of the local NGOs in the region. This implies that only 1.8 percent of the staff of other local NGOs surveyed were highly skilled.

The field workers were staff who had a minimum qualification of WASSCE and undertook direct community work like community sensitisation, peer education, identification of

project beneficiaries etc. Supporting staff included the secretaries, cleaners and security men. However, there was no minimum qualification for cleaners and security men.

4.2.4 Board of Directors

The formation of board of directors is crucial to an NGO as they are responsible for many specific tasks. The board's main task is to govern and oversee the operations of the organization. In other words, the board is legally, financially, and morally responsible for the organization. Each individual member of a board is significant and holds many responsibilities that help contribute to his/ her work on the board as a whole. One would expect that boards of local NGOs would function well to give direction to their organizations. This is because local NGOs are obliged by law to have board of directors as indicated in the company code. This is however, not the case with some local NGOs in the region.

As many as 28 percent of the local NGOs surveyed indicated that they have board of directors of which 42 percent were found to be active and 58 percent inactive. The members of the board range from 5 to 7. From the survey, 63 percent of the local NGOs indicated that they had experienced difficulties finding people who were willing to be board members, 9 percent indicated that they have had board of directors before but were dissolved due to misunderstanding between the board and the founders/directors of the organisations.

Of the 28 percent of local NGOs who had boards, only 3 organisations had non-family based board of directors, while the others had Board of Directors composed of only family members. From the study, the respondents claimed that this family composed Boards of Directors were rubber-stamp boards rather than governing the organisations.

The study identified the functions of the Board of Directors as follows:

1. Provision of advice and guidance;
2. Review of programmes and plans;

3. Networking with donors, editing proposals, and
4. Providing technical assistance.

The 58 percent inactive local NGOs boards were voluntary boards who were selected for their status in community and not their actual contribution and availability to the organisation. As a result they had no interest in the exercise of oversight responsibilities over the organisations. They were therefore less committed to the organisational goals and development because board members had no power over the founders/directors of the organisations.

The founder and director of the Foundation for Better Tomorrow supported this and said that *'it was the responsibility of NGO boards to formulate the strategic plan and oversee its implementation. They were also expected to check the self-serving tendencies of management. However, they rarely did so due to lack of control over the founders/directors. This is the situation of local NGOs operating in Brong Ahafo'.*

The founder and director of 6th March Women Foundation stated that *'the idea of a governance structure seems unfamiliar and daunting to most local NGOs. The pressure of forming a board of directors is coming from international partners rather than the founders because the NGO leaders do not perceive the benefit of the boards'.*

The Founders and Directors interviewed have been managing their organizations for almost a decade now and they felt that they were solely responsible for the success or failure of their organizations. Therefore it was not possible for these directors to formalize their boards and relinquish the governing power to them.

4.3 Major Sources of Funding for Local NGOs

The sources of funds for local NGOs in the region are from both external and internal sources. The local NGOs funding from external sources include international donor agencies and NGOs like Ibis West Africa, Concerned Universal, and external governments through their embassies and agencies (DANIDA and GTZ). The internal source of funding for local NGOs in the region are from Ghana AIDS Commission under the MSHAP Fund, District Assemblies and self-generated or earned income. The self-generated income

includes income from consultancy services, commercial ventures like internet services and secretariat services. The survey revealed that 90.7 percent of the local NGOs depend solely on the international donor agencies and NGOs and Ghana AIDS Commission (MSHAP Funds) for funds to implement all year round programmes and projects. Only 9.3 percent are able to obtain funds from all the three sources indicated above.

The various sources of local NGOs funding from 2005 to 2009 are presented in table 4.3 to 4.9 below

Table 4.3: Sources of Local NGOs Income for 2005

Source	Amount (GH¢)	Percentage
External		
Government	25,000	3.9
INGOs	615,200	96.1
Total	640,200	100
Internal		
Government	63,300	61.3
Self-generated Income	40,000	38.7
Total	103,300	100
Total Income from External and Internal Sources		
External	640,200	86.1
Internal	103,300	13.9
Total	743,500	100

Source: Field Survey, 2010

From table 4.3 the external source of local NGOs income for 2005 was GH¢ 640,200. This represents 86.1 percent of the total income of the year whilst internal source constituted 13.9 percent. This income was from the international NGOs and foreign governments through their embassies. The international NGOs and foreign government funding for local NGOs constituted 96.1 percent and 3.9 percent of external funding respectively. The external partners funding was in support of reproductive health, education and food security.

The internal source of financing local NGOs in 2005 was from Ghana AIDS Commission contract through the district assemblies for the implementation of HIV/AIDS programme in the districts. This represents 61.3 percent of local NGOs internal source of funding in 2005. Only 9 percent of the local NGOs were able to mobilize self-generated income from consultancy service of training area councils in the region. This accounted for 38.7 percent of total internal source of funding for the year.

Table 4.4: Local NGOs Income for 2006

Source	Amount (GH¢)	Percentage
External		
Government	23,000	4.5
INGOs	486,929	95.5
Total	509,929	100
Internal		
Government	72,259	86.9
Self-generated Income	10,920	13.1
Total	83,179	100
Total Income from External and Internal Sources		
External	509,929	86.0
Internal	83,179	14.0
Total	593,108	100

Source: Field Survey, 2010.

In 2006, local NGOs had 86.0 percent of their total income from external sources and 14.0 percent from internal source. The survey revealed that 95.5 percent of external funding came from INGOs (Ibis West Africa and Actionaid) to support the implementation of women rights and good governance programmes. As many as 26 local NGOs (60.5 percent) in the region benefited from this funding to support women participation in the local level elections. Under this funding the local NGOs were to advocate for the inclusion of more women in the district level elections. The other 4.5 external funding came from the German

government through the GTZ to support agriculture activities in the region particularly, cashew production in Wenchi Municipality, Jaman North and South and Tain Districts.

Out of 14 percent of the internal source of funding of local NGOs, 86.9 percent was a contract agreement between the Local NGOs and Ghana AIDS Commission under the MSHAP fund for the implementation of HIV/AIDS programmes in the all the districts. The survey indicated that 81.4 percent of local NGOs benefited from this fund. The remaining 13.1 percent of the internal source of funding was from consultancy services (training and research) that three local NGOs (Mission of Hope, Good Sheppard and SODIA) said they rendered to the district assemblies in relation to CBRDP and other agencies. This indicates that local NGOs have the advantage of raising funds by using their potentials in consultancy (training and research). However, the low capacity of local NGOs made it difficult to compete with competent consultancy firms for consultancy services.

Table 4.5: Local NGOs Income for 2007

Sources	Amount (GH¢)	Percentage
External		
Government	10,620	2.2
INGOs	478,505	97.8
Total	489,125	100
Internal		
Government	92,300	90.8

Self-generated Income	12,324	9.2
Total	104,624	100
Total Income from External and Internal Sources		
External	489,125	82.4
Internal	104,624	17.6
Total	593,749	100

Source: Author's Field Survey, 2010

From the survey, in 2007 local NGOs received 82.4 percent of their total income from external source and 17.6 percent from internal source. The external sources of funds were received from Aidlink, Toms Confessionary/Ibis, Concern Universal, GTZ and DANIDA. Out of 17.6 percent of local NGOs funding from internal source, 90.8 percent of this amount came from Ghana AIDS Commission for the implementation of HIV/AIDS programme in the districts and 9.2 percent was from self-generated income. The self-generated income came from secretarial services, computer training and internet café that four local NGOs (9.3 percent) had established in their operational areas. They render these services to community members and charge subsidised fees to meet the operational cost. Any profit accrued from these services is used to supplement the organisations income for development activities in the districts.

Table 4.6: Local NGOs Income for 2008

Sources	Amount (GH¢)	Percentage
External		
Government	11,279	1.9
INGOs	534,321	92.0
UNDP	35,000	6.0
Total	580,600	100

Internal		
Government	102,000	87.8
Self-generated Income	14,201	12.2
Total	116,201	100
Total Income from External and Internal Sources		
External	580,600	83.3
Internal	116,201	16.7
Total	696,801	100

Source: Field Survey, 2010.

The table 4.6 shows the contributions of each source to local NGOs in 2008. This shows that external source provided substantially more funding to local NGOs (83.3 percent) than to internal funding (16.7 percent). On the external funding, INGOs continue to give much more funding to local NGOs (92.0 percent) and government provided 1.9 percent of total external source of funding. UNDP provided 6.0 percent of the external funding. However, this amount went to only one organization – SODIA for the implementation of Biodiversity Conservation Project. The external funding provided by the INGOs was (i.e. Ibis, DANIDA, Actionaid, etc) in support of parliamentary debates in 19 constituencies in the region for the 2008 elections. Funds were also given to the local NGOs to monitor the 2008 elections. This was again under the good governance programme of the external partners. The amount for good governance programmes according to the directors of local NGOs accounted for about 73 percent of their total income received from external partners and international donor agencies.

Internal funding constituted 16.7 percent of the income of local NGOs in 2008. This was made of funds received from Ghana AIDS Commission for the implementation of HIV/AIDS programmes and self-generated income. The Ghana AIDS Commission fund accounted for 87.8 percent of the total internal source whilst 12.2 percent was from the self-generated income.

Table 4.7 Local NGOs Income for 2009

Sources	Amount (GH¢)	Percentage
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External		
Government	8,650	2.4
INGOs	345,000	97.6
Total	353,650	100
Internal		
Government	98,526	87.6
Self-generated Income	13,908	12.4
Total	112,434	100
Total Income from External and Internal Sources		
External	353,650	75.9
Internal	112,434	24.1
Total	466,084	100

Source: Field Survey, 2010.

From table 4.7 above local NGOs obtained 75.9 percent of their total funding from external sources in 2009 whilst 24.1 percent was obtained from internal source. Even though the amount from external source has reduced in volume and percentage compared to the previous years, local NGOs still depend on external source as a major source of income to finance their operations.

Table 4.8: Total Income from External and Internal Source from 2005 – 2009

Year	Amount (GH¢)				Total (GH¢)
	External Source	Percentage	Internal Source	Percentage	
2005	640,200	24.9	103,300	19.9	743,500
2006	509,929	19.8	83,179	16.0	593,108
2007	489,125	19.0	104,624	20.1	593,749

2008	580,600	22.6	116,201	22.4	696,801
2009	353,650	13.7	112,434	21.6	466,084
Total	2,573,504	100	519,738	100	3,093,242

Source: Field Survey, 2010

From the survey all the local NGOs benefit from both external and internal sources of funding. However, the magnitude of funding to individual local NGOs varies. It ranges from an average minimum of GH¢ 5,000.00 to GH¢169,476.00 of external funding and 3000.00 to 6,000 from internal sources (Government) but only 11.6 percent of local NGOs (SODIA, BRUM, DOTHEBAA, Mission of Hope and Good Shepherd) managed 71.3 percent (GH¢ 2,205,338.9) of total the local NGO income in the region. This is because these local NGOs have the capacity to execute development projects. As a result they have access to all three sources of funding available. Over the past five years, the amount of external funding to local NGOs has been reducing with the exception 2008 which was due to the presidential/parliamentary elections. The reduction was very drastic in 2009 (over 38.9 percentage change from 2008). This, according to the survey, was as a result of the global economic and financial crisis.

Table 4.9: Summary of Income from External and Internal Source from 2005 – 2009

Source	Amount (GH¢)	Percentage
External	2,573,504	83.2
Internal	519,738	16.8
Total	3,093,242	100

Source: Field Survey, 2010

From the table 4.4b between 2005 and 2009 local NGOs received approximately 83 percent of their funding from the external sources and 17 percent from internal sources. For all the local NGOs sampled for the study, their funding came principally from external sources. However, the amount and frequencies of these funds play a critical role in the activities and success rate of the local NGOs intervention in rural development.

It should be noted that, there were three sectors through which local NGO in Brong Ahafo Region obtain their funding. These were the private sector (INGO partners), government (both internal and external) and self-generated income. This confirms the literature that

NGOs funding come from three sectors. That is the private sector, government and self-generated income (More, 2005 p.2 and Salamon and Anheirer 1996 cited in Barr et al 2005).

4.3.1 Conditions Attached to Funding Sources

From the survey donor funds were the lifeline of NGOs in the region. It is a fact that if there were no donor funds available many local NGOs would not have survived. Nevertheless, it was revealed that these donor funds had tremendous limitations and restrictions that sometimes challenged the very ideals of development interventions of local NGOs. All the local NGOs interviewed indicated that there were conditions attached to the funding sources. Such conditions include the following:

4.3.1.1 Programme and Project-based Funds

Local NGOs implement projects based on certain conditions imposed by the donors. Often these conditions could prove unfavourable to the kind of developmental activities that really need to be implemented for the welfare of the communities. All donor funding carry restrictions on the types of expenses that they may cover. The most common restriction is to cover only direct programme costs, but not the cost of support services or other overhead costs incurred by the local NGO. Local NGOs must contribute these costs on their own, or at least cover an increasing share of these costs. Due to the limited choices available to local NGOs they really cannot refuse this reality. Among this conditions are the restrictions by NGOs to pay staff salaries. However, some external donors provide the opportunity for local NGOs to pay personnel cost in project implementation. The amount, as revealed from the study, is not always adequate to employ competent personnel. Donor funding from internal sources (government) does not allow the payment of personnel from project funds as stated by some local NGOs (table 4.5 below)

4.3.1.2 Donors Agenda

To a certain extent, all donors have their own agenda, i.e., their own views as to which problems are important and the best intervention strategies to address these problems. Local NGOs in their quest to get funds to support community interventions accept funds from

donors without considering their mission and the values they stand for. Local NGO managers are compelled to follow the money and allow donors to dictate the scope and direction of their activities, or else receive no funds at all. As the old saying goes, beggars can't be choosers.

4.3.1.3 Counterpart Funding

Respondents indicated that all funding agencies require local NGOs to demonstrate their capacity to contribute part of the project cost either in-cash or in-kind. The survey revealed that the minimum counterpart funding requirement was usually 10 percent of the project sum. This counterpart funding include cash or in-kind contribution from the local NGOs. The in-kind contribution includes the staff time on the project, equipment of the organisation that would be used to support the implementation of the project, utilities and office space. The survey revealed that 47 percent of local NGOs in the region are not able to meet these requirements from donors who require counterpart funding before a project is funded.

4.3.2 Relationship between Funding and Capacity of Local NGOs

The amount of money made available to local NGOs from all sources differ from one local NGO to the other. Evidence from the field survey reveals that there was much difference in amounts received between local NGOs that have capacity and local NGOs that do not. Local NGOs that have capacity enjoy a fair degree of financial support. This is not the case of local NGOs with low capacity. The disparity in funding can be explained by many factors which include quality and competent staff, availability of equipments like vehicles, motor bikes, computers, printers and photocopier machines, track record of local NGOs in the execution of past projects, continuous feedback between local NGOs and their projects and funding sources and their ability to lobby for new funding sources. This is partly because local NGOs with high capacity have a wide spectrum of funding sources from international donor agencies (e.g. INGOs), and governments and they are able to generate income from consultancy services and commercial ventures like internet café, secretarial services and computer training programmes. This explains why SODIA, Mission of Hope,

BRUM, CSD and Good Shepherd command the chunk (i.e. 71.3 percent) of income of all the local NGOs fund in the region.

These organizations were known and popular in the region and their activities expanded to more than three districts. These activities also enjoyed wide media coverage wherever and whenever they were being executed. This was not the case with low capacity level local NGOs which themselves were poorly organized and were handicapped in terms of the resources mentioned above.

4.4 Local NGOs Financial Viability

In order to survive, local NGOs must reduce their dependency on external support and must have a way of generating income from the domestic sources. Local NGOs raise a significant 83.2 percent of their funding from external sources. Whilst in Brazil local environmental NGOs generate an impressive 80 percent of their income domestically through corporate bodies and philanthropist, local NGOs in the region only managed to raise 16.8 percent of their income from internal sources, including government and earned income (winning contract from districts to provide consultancy services etc). Local NGOs were unable to raise funds from corporate and individual philanthropist in the country. The following reasons were identified for their inability to generate funds within the country from corporate and individual philanthropist to implement their activities.

4.4.1 Reasons for Inability of Local NGOs to Generate Adequate Internal Funds

As has mentioned earlier local NGOs in the region were mainly funded externally. Local funding represented approximately 17 percent of total funding of local NGOs in the region. The reasons were not far fetch as most local NGOs in the region were poorly managed to attract funding from public and corporate bodies.

4.4.1.1 No Mechanism Put in Place by Local NGOs for Local Funding

Local funding from corporate bodies and philanthropist for local NGOs for development is uncommon in Ghana. The majority of local NGOs in the region lack structures and operating mechanisms. This makes it difficult for local NGOs in the region to systematically generate local funds especially from corporate bodies and individuals. This is not the case with external funding. It was noticed in the survey that external funding was project directed and raised and provided by INGOs based in foreign countries especially Europe and America to local NGOs. This was not different from local NGOs in Cameroon where external funding was raised by partner NGOs in the North on behalf of local NGOs in the South (Lotsmart, 2007). For local source of funding to local NGOs to be effective, there is the need for structures to be put in place to generate such funds.

4.4.2 Lack of Confidence of Local NGOs

Local NGOs in themselves were a hindrance to getting internal funding. Some of these local NGOs are badly managed in such a way that they attracted no support. The management teams were either of doubtful character and ability or were made up of group of friends and family members as indicated in section 4.1.5 above. Local NGOs managed this way cannot win the support and confidence of the public and corporate bodies for funding. It should be emphasised here that local NGOs cannot depend on external funding forever. They must therefore have to break this deadlock myth preventing their access to local funding.

4.4.3 Low Human Capacity for Local Fund Raising

Low human capacity to raise local funds is almost the same as the absence of institutional mechanisms for local fund raising. Local fund raising requires people having the skills and willingness to do it as well as having a good public reputation. Expertise is needed to plan when, where and how to seek for funds from corporate bodies and individual philanthropist. The survey showed that local NGOs with high professional qualification (First Degree and Masters) staff were able to win contracts from internal sources.

4.4.4 Ignorance

From the respondents there were wrong perceptions among some segments of the populace and local corporate bodies that local NGOs do not need local assistance. It is believed that local NGOs were adequately financed by external donors and some perceived this funding as unlimited. This ignorance is manifested in the poor performance of corporate bodies when local NGOs appeal for help from them during fund raising occasions.

4.5 Adequacy of Funding Sources

Opinion of respondents on the adequacy of funding for local NGOs development varied widely. Whilst 9.3 percent of the local NGOs (of the 11.6 percent who command high percentage of total local NGO income) felt that funding from their sources i.e. both external and internal sources was adequate, 90.7 percent indicated that the funds from external and internal source were inadequate considering the large number of their constituents' vis-a-vis the numerous development projects they had to undertake in order to meet the developmental needs of the people. The reasons were that there were many organisations competing for the same funds from Ghana AIDS Commission (major internal source for local NGOs) and external partners. This has been noted by Porter (2005) that there was intense competition among local NGOs in Ghana for partners because having a partner was crucial to accessing funding. The search for donor funds now pre-occupies the minds of founders and directors of local NGOs.

4.6 The Utilization of Funding

The utilisation of a particular fund depends on the source of funding. Funding received from internal sources do not support staff salaries but that of external fund do support. However, the amount is normally too low to recruit competent staff to implement projects. The utilisation of funding source is shown in table 4.9 below:

Table 4.10 Utilization of Funding

Utilisation	Internal Source (Percent)	External Source (Percent)

Salary of Staff	-	4.7
Project Activities	97	94.7
Office Administration	3	0.6
Total	100	100

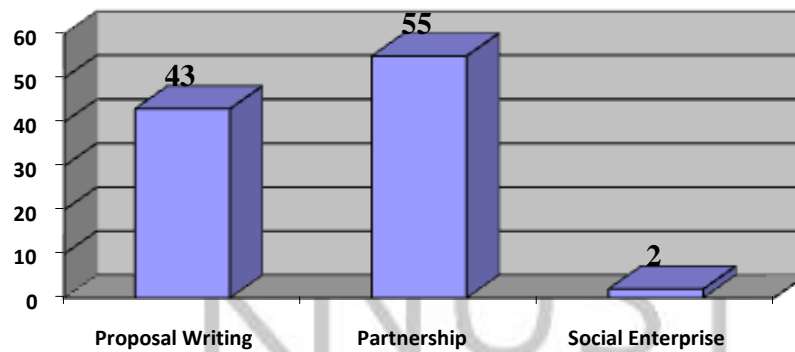
Source: Field Survey, 2010

From table 4.9, 97 percent and 94.7 percent of internal and external sources go to support the implementation of project activities respectively whilst 3 percent and 0.6 percent go to support office administration. Only external source of funding take care of staff salaries. This amount constitutes 4.7 percent. The external source normally have components for staff cost. This amount was not adequate to recruit high calibre staff to execute the projects. The local NGOs in their quest for survival accept the projects and recruit incompetent staff. This makes it difficult for them to report and account for the money spent on the project. Local NGOs are then unable to attract additional or new projects in subsequent years. This among others might be the reason why some local NGOs have been accused of embezzling donor funds especially MSHAP funds from the Ghana AIDS Commission.

4.7 Methods of Resource Mobilisation

Local NGOs were asked to outline the methods they use in mobilising resources from both external and internal sources for their operation. The following were the methods local NGOs used to mobilise resources for their operations. It also indicates the proportion of each method to the total income of local NGOs.

Figure 4.3 Contribution of the various method of mobilising local NGOs Income.



Source: Field Survey, 2010

From figure 4.3 above partnership contributed 55 percent of local NGOs income whilst proposal writing contributed 43 percent. Social enterprise was the least method for the contribution of local NGOs funding. However, if local NGOs capacity was well developed it could be one of the most sustainable ways or methods of mobilising funds for development. The detail for each method is discussed below.

4.7.1 Proposal Writing to Potential Donors

All the local NGOs interviewed indicated that they get 43 percent of their funding through proposal writing or grant proposal to prospective donors. They monitor news paper advertisement for the 'call for proposals'. The proposals detailed the project plans and budget. Proposal writing contributed 43 percent of total income from both external and internal sources. Out of the 43 percent, proposal to external funding agencies accounted for 82 percent whilst proposals to internal sources accounted for 18 percent. Proposals to external sources included the embassies, INGOs, Charities and Foundations. Proposal to internal sources included district assemblies, Ghana AIDS Commission and corporate bodies. However, not all proposals were approved and funded especially proposals to corporate bodies. This is because local NGOs have not been able to meet donors' requirements. The field survey reveals that only three local NGOs had the capacity to develop grant proposals that meet the donors' requirements. When asked about the donor requirements the following responses were received;

- i. Audit report
- ii. Equipment and office facilities

- iii. Organisation must have experience of implementing similar projects
- iii. It must be a legal organisation with legitimate objectives
- iv. It must have proper and capable management, administrative structures and personnel. The personnel must have relevant experience of the project in question
- v. The organisation must have financial management capacity, financial control and administration systems and measures
- vi. It must have capacity specifically for reporting to donors on project activities.

Difficulties that were revealed with respect to this method for funding were:

- i. Non- adherence to contract terms of services rendered or projects executed and delay in payment especially district assembly projects.
- ii. Unfavourable conditions especially with respect to internal funding from government source. As many as 76 percent of the local NGOs interviewed, reiterated that funding from government were always difficult to get. They mentioned that government funding was more often directed to friends and political allies rather than to initiatives that benefit the general masses of the population. Beside there was also pressure from the top government officials who want a private share from any government funding to local NGOs. Refusal to comply with demand of government officials meant that local NGOs will not get funds from that particular government agency no matter their capacity to implement the projects.
- iii. Unwillingness of most donors to support service delivery projects. It was revealed that most donors funded Right Based Approach projects rather than Service Delivery Projects. But local NGOs want to satisfy their constituents with service delivery projects. It is perceived that service delivery projects were projects that communities consider as helping them and hence would reduce their poverty. Community members want to see school buildings, water and sanitation facilities, improved road network, engagement in economic activities rather than training that links them to district assembly for support.

4.7.2 Partnership with International Non-Governmental Organisations

This is the most recent development technique local NGOs in the region use to generate funds for their operations. Local NGOs work with INGOs to identify needs and develop programmes to meet short term developmental needs of marginalised communities in their operational districts. Local NGOs are noted to have local knowledge and experience in local level project implementation. As a result INGOs approach them to undertake their development agenda. INGOs provide funding to support their local partners (local NGOs).

In this method a contract is signed between the local NGOs and INGOs for specified periods. Evidence gathered from the field survey indicated that the contract is usually 12 months and renewed annually upon successful implementation of project activities. The local NGOs interviewed indicated that partnership vary widely based on the INGOs philosophy and funding source. The Executive Director of SODIA indicated that his organisation had to serve two masters when it was funded by Ibis West Africa who also had its funding from Toms Confectionary. In this method it was found from the study that INGOs take credit for the local NGOs success in the implementation of programmes and build their reputation and status as legitimate international institution.

4.7.3 Social Enterprise

This is where local NGOs engage in social and economic activities to earn income to support their operation. Because of the capacity gap of most local NGOs in the region only 4 organisations (SODIA, Mission of Hope, Good Shepherd and BRUM) have been able to use this method to mobilise funds for their operations. They are involved in consultancy services, internet operation, secretarial services and computer training. This method of fund mobilisation ensures continuity of funds for their activities. In the event of reduction of external funding, income raised from these sources can be used to offset personnel and administrative cost.

4.8 Challenges Facing Local NGOs in the Region

Local NGOs are vital to all communities in the region. They provide much required services to those in need. While striving for organisational success, local NGOs are faced with many challenges. The study revealed that the following challenges were peculiar to all the surveyed organisations. Among them are the following:

1. Low staff capacity
2. High Labour Turnover
3. Inadequate facilities
4. Inadequate Funding
5. Inadequate Institutional and Core Support
6. Lack of Long Term Project Funding

It was also clear that there were some challenges regarding the method of mobilisation of funds by local NGOs. Some of the NGOs in their own view expressed disappointment in the delay of payment after service delivery. This is mostly in the area of pre-financing of projects by local NGOs. There was also the challenge of public perception as to the performance of local NGOs in the region. Community members perceive that these local NGOs are not satisfying their required need in the area of development project rather service delivery.

These problems according to the respondents had contributed to

- Inability to sustain staff
- Difficulty in obtaining funding for projects
- Retard growth of the organizations
- Organizations inability to develop good proposals for funding

CHAPTER FIVE

MAJOR FINDING, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

Having come this far from understanding the sources of local NGOs financing, acknowledging the challenges and issues related to the local NGOs financing, this chapter presents the major findings of the analysis made in the previous chapter. Policy recommendations have been made to address the issues and challenges that emerged from the analysis. The chapter ends with the concluding remarks of the study.

5.2 Major Findings

5.2.1 Funding Sources

The study revealed that local NGOs obtained their funding mostly from INGOs, external governments through their embassies and agencies such as Ghana AIDS Commission. External funding accounted for 83 percent of local NGOs funding whilst internal funding accounted for 17 percent.

External funding to local NGOs is mostly available for small period of time like one year to 18 months. This limits the scale of local NGOs interventions. Only 9.3 percent of local NGOs were able to generate funds through self generated activities.

The study also revealed that external funding to local NGOs has been reducing with exception of 2008 where funds were given to local NGOs to support 2008 presidential and parliamentary elections. After the elections the external funding reduced by 38.9 percent from GH¢580,600.00 to GH¢353,650.00.

5.2.2 Management of Local NGOs

Local NGOs interact daily with their constituents. The population together with the government and corporate bodies know the nature of projects implemented by local NGOs. From section 4.1.4 to 4.1.5 it was clear that about 75% percent of the local NGOs management styles were less than optimal. Transparency and accountability of the projects they implemented in the communities were lacking. This coupled with the perception that

local NGOs were sufficiently funded from abroad was responsible for the loss of public confidence and support to finance local NGOs in the region from local sources.

5.2.3 Self-financing

The survey revealed that self-financing of local NGOs were not promising. The reality was that INGO/donors were not prepared to provide funds necessary for investment that will enable local NGOs to achieve organisational security based on finance derived from the country. As a consequence, the vast majority of local NGOs were for substantially depending on and remained vulnerable to international NGOs and donors.

5.2.4 Restricted funds

Funds that are received from donors and INGOs were for specific purposes. Local NGOs were legally obliged to use them for the reason that the donor gave them. These funds do not help local NGOs to achieve their missions. Local NGOs cannot choose and change projects that they want to run. They can also not use such funds to cover core cost and recruit competent staff for project implementation.

5.2.5 Financial Dependency

As many as 90.7 percent of local NGOs solely depended on the INGOs and Ghana AIDS Commission for funds to implement all year round programmes and projects. When local NGOs are in a state of dependence, their ability to make programme decisions and ensure that the right programmes are pursued for beneficiaries, is limited. Reliance on external funding is leading to external partner organisations controlling the agenda of the local NGOs. This controls in many instances run counter to the objectives of local NGOs. Therefore, it is high time that local NGOs started to think beyond just external funds. That does not mean local NGOs need to stop depending upon external funding, but it is time that local NGOs started becoming creative to overcome the challenges posed by conventional sources of funding in order to be more sustainable and effective in their approaches towards the development of their communities.

5.2.6 Low capacity of local NGOs

Local NGOs with relatively high capacity have a wide spectrum of funding sources from INGOs, governments and they are able to generate income from consultancy services. The study revealed that only 11.6 percent of the local NGOs have relatively high capacity and as a result managed 71.3 percent of total local NGOs income in the region. As many as 88.4 percent of local NGOs lack capacity in terms of quality staff, equipment office space, etc to attract funding to implement their programmes.

5.2.7 Lack of Corporate and Philanthropic Funding for Local NGOs

Local NGOs have not been able to tap local philanthropic and other domestic funding sources-both for- and non-profit. Whilst in Philippines and Central America an increasing number of NGOs are tapping corporate bodies and local philanthropist as a resource for their activities, local NGOs in Ghana are not utilizing these huge potentials. In Central America for example 13 percent of the local NGOs surveyed indicated that business grants were one source of their income (Faustino, 1997).

Most of the local NGOs are poorly managed to attract public support. There is general lack of transparency and accountability to their constituents and district assemblies. The local people who live with them see their daily activities from which they can make informed decisions.

5.2.8 Methods of resource mobilization

Three methods of resource mobilization were identified from the study. They included proposal writing, partnership and social enterprise. The study revealed that proposal writing contributed to 43 percent of local NGOs funding whilst partnership and social enterprise contributed to 55 percent and 2 percent respectively.

5.3 Recommendations

The recommendations that are put forward in the study are based on data analysed and interaction with the founders/directors of local NGOs. This is an attempt to encourage the

local NGOs to fill up the gaps so that they can finance their cause in a much more effective way. The recommendations are as follows:

5.3.1 Diversified Funding Base

Diversification means securing funds from as wide a base as possible – the local business community, national and local government and the general public – and not just from external, institutional donors such as foreign NGOs such as USAID or DfID. Local NGOs have to expand their fundraising activities directed at the general public and also tap local corporate donors for monetary and in-kind support.

5.3.2 Approaching Corporate Bodies

The corporate bodies today are increasingly becoming aware of their responsibility towards the society. The local NGOs can approach the corporate bodies for their support. This would help the local NGOs solve their problem of human and capital resources as well as securing funds to implement their development projects. The corporate bodies could work in tandem with the local NGOs and help them carry out all their activities in a better and organised way. If this is done the local NGOs would appreciate that one of the best ways of securing funding is leveraging corporate bodies to get directly involved in their development interventions. As Aziizu Issifu, the founder of SODIA put it: *The real body to finance our project is going to come from the business sector; we can't depend on government and INGOs to solve our financial problems.*

5.3.3 Ensure Availability of Unrestricted Funds

Funds that are received from donors for a specific purpose are known as restricted funds. Local NGOs are legally obliged to use them for the reason that the donor gave them. In contrast, unrestricted funds can be used for anything at all that helps local NGOs to achieve their mission. The more unrestricted funds local NGOs have, the more freedom of action they have. Local NGOs can choose and change the projects that they want to run and they can cover costs that donors are reluctant to fund, like overheads cost and staff salaries.

Local NGOs have to look beyond institutional donors for sources of unrestricted funds, for example: fee income and general appeals to the general public. Local NGOs must start involve themselves more in income generating activities in order to reduce their reliance on the donor for funding their activities as a means of ensuring sustainability of their activities in the event that the donor cease funding

Having a regular source of unrestricted income is essential for the next feature of financial sustainability of local NGOs.

5.3.4 Strong Stakeholder Relationships

The more that local NGOs can build up and manage a positive relationship with donors, the stronger position they will be in. The key to financial sustainability is to develop relationships with an eye to the future as well as meeting today's needs. This means building the confidence of donors over time. For instance, it may not be appropriate to press them for funds today, if you believe that you might win more funds from them in the future.

It is a mistake for local NGOs to take funds for projects that they cannot deliver, just because the money is available. This will harm their relationship with the donor and reduce the chance of winning funds that they really need next year or the year afterwards

5.3.5 Prudent and Sound Organisational Management

The discussions from the research showed lack of organisational structure by most of the local NGOs. This greatly affected access to funding from especially internal corporate and individuals. It is therefore important that each local NGO begins to realise the importance of organisational structure and work towards the development of one. They must also be transparent in the use of funds and accountable to their constituents. Moreover, qualified personnel need to be employed to help project the good image of local NGOs to other internal and foreign donors.

5.4 Conclusion

Local NGOs are performing tremendously by providing social amenities like water, sanitation, health and education. They have over the years demonstrated the capacity of doing more with the needed support. However, funding for effective implementation of project activities is inadequate. Giving the expected roles local NGOs have to play in the development of the less privileged communities, all other players in the development process must collectively re-examine their contributions towards the financing of local NGOs.

Local NGOs on their part, should be able to assess factors that hinder them from enjoying public and corporate support and ensure effective collaboration between them and the public. As local NGOs improve on their capacity levels, they should be able to avail themselves for services like consultancy in order to generate adequate funds internally to limit the over dependency on external funding.

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APPENDIX I: QUESTIONNAIRES FOR LOCAL NGOs

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FACULTY OF PLANNING AND LAND ECONOMY

DEPARTMENT OF PLANNING

QUESTIONNAIRES FOR LOCAL NGOs

The series of questions in this questionnaire are designed to obtain organizational responses on how local NGOs in Ghana are financed using the Brong Ahafo as a case.

Please, answer the questions that follow by ticking the appropriate option (if provided) or writing unrestrictedly for open-ended questions. Please answer all questions freely but objectively.

The information is for academic purposes only and will be treated with the strictest confidentiality.

Thank You

Prince Gyamfi

(MSc Development Policy & Planning Student)

FINANCING LOCAL NON GOVERNMENTAL ORGANISATIONS IN GHANA: ISSUES AND CHALLENGES

QUESTIONNAIRE FOR LOCAL NGOs

PART ONE – NGO BACKGROUND AND CAPACITY

1. Name of NGO:

.....

2. Location of NGO (Town and District):

.....

3. Date of establishment:

.....

4. How was the NGO formed? Any history behind its formation?

.....

Mission:

.....

Vision:

.....

Programmes :

.....

5. Where did your organisation register:

a) Registrar General Department:

b) Social Welfare Department:

c) District/Municipal Assembly:

d) Other (Specify).....

6. What is the total number of staff employed in your organisation?

Staff Category	Number
Permanent Staff	
Volunteers	
Part time	

Total	
-------	--

7. Staff qualification?

Qualification	No of staff
Masters Degree and above	
First Degree	
HND	
Advanced Level	
Ordinary Level	
SSSCE/WASSCE	
BECE	
Other (specify)	

8. Do you have Board of Directors? Yes ☐ No ☐

9. If yes, how many members form the board?

10. How were they selected?
.....
.....

11. How often does the board meet?
.....

12. What are their professional background?

No	Board Members	Professional Background and Qualification
1		
2		
3		

4		
5		
6		

13. What are the roles of the Board of Directors?

.....

.....

14. How is the board helping you to achieve the objectives of the organisation?

.....

.....

15. What is coverage of your services in terms of districts or regions?

.....

.....

PART TWO – SOURCE OF FUNDING

1. Please indicate the total amount received from the following funding sources for the past five years.

A. 2005

	External Source (Outside Ghana)	Internal Source (Within Ghana)	Total (GH¢)
Government			
Private Sector			
General Public			

B. 2006

	External Source (Outside Ghana)	Internal Source (Within Ghana)	Total (GH¢)
Government			
Private Sector			
General Public			

C. 2007

	External Source (Outside Ghana)	Internal Source (Within Ghana)	Total (GH¢)
Government			
Private Sector			
General Public			

D. 2008

	External Source (Outside Ghana)	Internal Source (Within Ghana)	Total (GH¢)
Government			
Private Sector			
General Public			

E. 2009

	External Source (Outside Ghana)	Internal Source (Within Ghana)	Total (GH¢)
Government			
Private Sector			
General Public			

2. Which of these funding sources are more reliable?

a) External sources ☐ b) Internal Sources

Why:

.....

3. Is the total amount received from these sources adequate?

Yes ☐ No ☐

Why the above answer?

.....

4. What percentage of these funding sources go to:

External source Internal source

- a) Salary of staff
b) Activities of the organisation
c) Office administration:

5. Which of the funding sources are sustainable

External ☐ Internal ☐

Why the above answer?

.....
.....

6. What are some of the challenges in accessing funding from:

a) External source:

.....
.....

b) Internal source:

.....
.....

7. What do you think can be done about it to improve the situation?

.....
.....

8. Are there any conditions attached to these funds? Yes ☐ No

9. If yes, state some of these conditions?

.....
.....

10. Why the conditions:

.....
.....

11. How does the nature of funding affect the work of your organisation?

.....
.....

12. How would you evaluate the financial status of your organisation?

High ☐ Medium ☐ Low ☐

Why the above option?

.....

.....

13. Please mention any other financing issues and challenges that have not been covered above?

.....

.....

.....

PART THREE: METHOD OF RESOURCE MOBILISATION AND ORGANISATIONAL CHALLENGES

3.1 Method of Resource Mobilisation

1. Please outline the methods you use to mobilise resources for your operations

.....

.....

2. Which of these methods outlined above support your organisation to generate enough revenue for your operations?

.....

.....

3. What are the difficulties encountered in using these methods?

.....

.....

4. What do you think should be done to improve the methods?

.....

.....

3.2 Organisational Challenges

1. What are the problems that your organisation is facing now?

.....

.....

.....

2. How are these problems affecting the operations of your organisation?

.....

.....

3. Are these problems affecting the funding of your organisation? Yes ☐ No ☐

4. If YES, how?:

.....

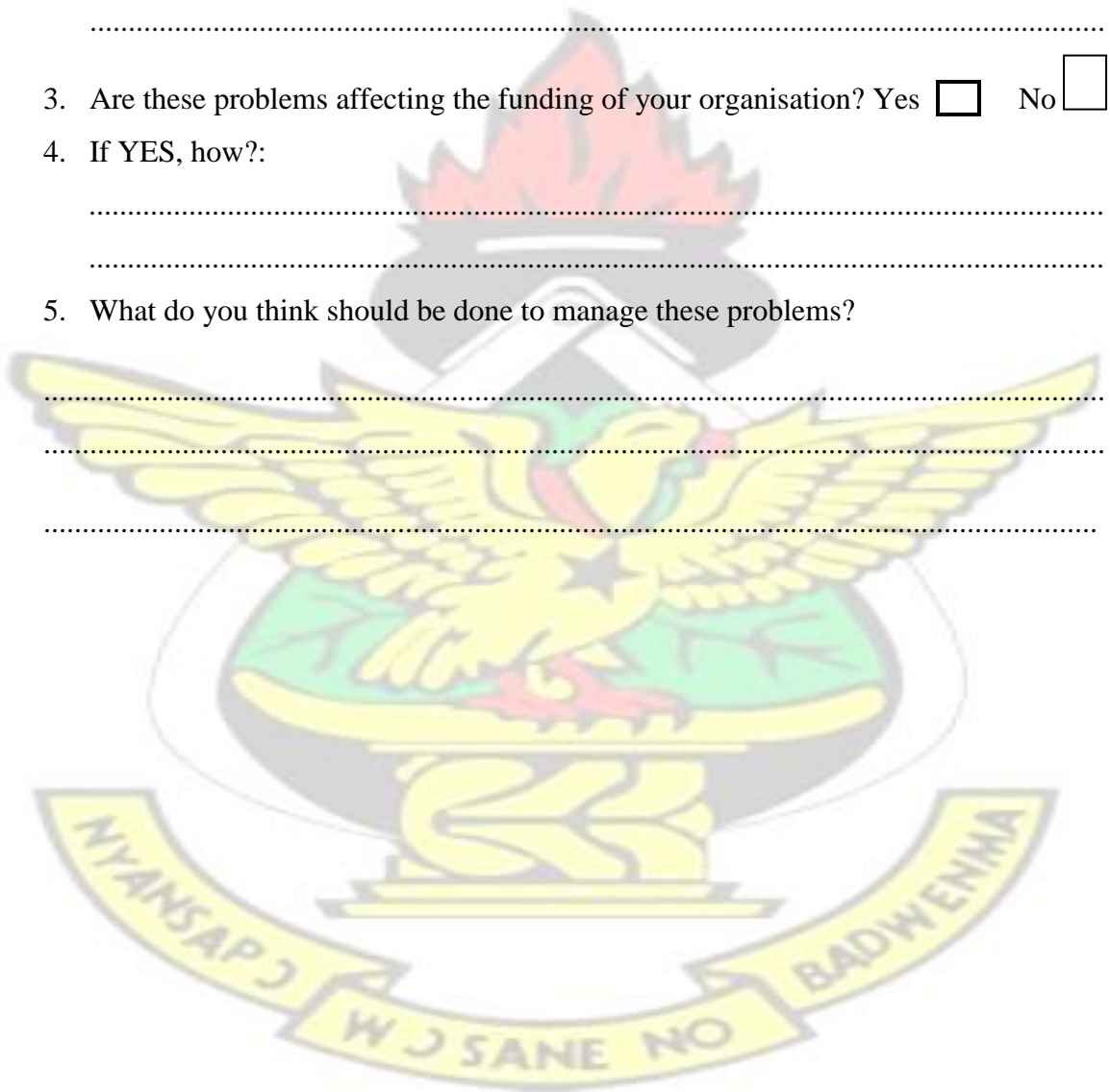
.....

5. What do you think should be done to manage these problems?

.....

.....

.....



APPENDIX II: QUESTIONNAIRES FOR DISTRICT ASSEMBLIES

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF ARCHITECTURE AND PLANNING

FACULTY OF PLANNING AND LAND ECONOMY

DEPARTMENT OF PLANNING

QUESTIONNAIRES FOR DISTRICT ASSEMBLIES

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Please, answer the questions that follow by ticking the appropriate option (if provided) or writing unrestrictedly for open-ended questions. Please answer all questions freely but objectively.

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Thank You

Prince Gyamfi

(MSc Development Policy & Planning Student)

FINANCING LOCAL NON GOVERNMENTAL ORGANISATIONS IN GHANA: ISSUES AND CHALLENGES

QUESTIONNAIRE FOR DISTRICT ASSEMBLIES

1. Name of the District
.....
2. How many local NGOs have registered with the District Assembly?
.....
3. What collaboration exists between the District Assembly and the local NGOs operating in the district?
.....
.....
4. Have any of them received support from the district assembly? Yes ☐ No ☐
5. If YES, through which means do they get funds from the Assembly?
Contract award ☐ Grants ☐
Other (Specify)
6. How often do you support the local NGOs operating in your district?
.....
.....
7. How do they account for the money received?
.....
.....
8. How do you monitor the local NGOs operating in the district?
.....
.....
.....
9. What are challenges you encounter in the operation of local NGOs?
.....
.....

10. How are you managing these challenges?

.....

.....

KNUST



APPENDIX III: QUESTIONNAIRES FOR BANGO

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF ARCHITECTURE AND PLANNING

FACULTY OF PLANNING AND LAND ECONOMY

DEPARTMENT OF PLANNING

QUESTIONNAIRES FOR BANGO

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Prince Gyamfi

(MSc Development Policy & Planning Student)

**FINANCING LOCAL NON GOVERNMENTAL ORGANISATIONS IN GHANA:
ISSUES AND CHALLENGES**

QUESTIONNAIRE FOR BRONG AHAFO NETWORK OF NGOs

1. How many local NGOs have registered with the Brong Ahafo Network of NGOs (BANGO)?

.....

2. What collaboration exists between the BONGO and the local NGOs operating in the region?

.....

.....

3. What benefit do BONGO members derive from the Network?

.....

4. How do you assist your members to generate funds for their operations?

.....

5. How do they account for the monies you assist them to generate?

.....

.....

6. How do you monitor your members?

.....

.....

7. What are challenges encountered in the operation of local NGOs in the region?

.....

.....

8. How are you managing these challenges?

.....

9. In your opinion what proportion of the local NGOs rely on:

a. Internal funding:

b. External funding:

10. Why do they rely on:

a. External source of funding:

b. Internal source of funding:

APPENDIXIV: LIST OF LOCAL NGOS INTERVIEWED

No	Name of NGO	Location/District
1	Centre for Domestic Development Service	Sunyani Municipal
2	Centre for Sustainable Development	Sunyani Municipal
3	Women Action and Solidarity Aid	Sunyani Municipal
4	Mission of Hope	Sunyani Municipal
5	Sixth March Women Foundation	Sunyani Municipal
6	Social Development and Improvement Agency	Tano South District
7	Seek Ye Foundation	Tano South District
8	Home Care and Development	Tano South District
9	Women in Need Foundation	Techiman Municipal
10	Ahenbronoso Foundation	Techiman Municipal
11	Bronkyempem Care and Support Foundation	Techiman Municipal
12	Positive Foundation	Techiman Municipal
13	Bureau of Rural Mobilizers for Development	Techiman Municipal
14	Dormaa Traditional Healers and Birth Association	Dormaa Municipal
15	Papaye Ghana Children in Need	Dormaa Municipal
16	Hand in Hand International	Dormaa Municipal
17	Association of Africa Women inDevelopment	Wenchi Municipal
18	Ihan Foundation	Wenchi Municipal
19	Alliance Against HIV/AIDS	Wenchi Municipal
20	Resource Link Foundation	Wenchi Municipal
21	Women and Children Support Organisation	Atebubu Municipal
22	Friends of Human Development	Atebubu Municipal
23	Good Shepherd	Asunafo North Municipal
24	Rural Action 2000	Kintampo North Municipal
25	Grass Root Development	Kintampo North Municipal
26	Needy for Hope	Kintampo North Municipal
27	Omanba Community Foundation	Kintampo North Municipal
28	Peace Building Development	Kintampo North Municipal
29	Holy City Foundation	Kintampo North Municipal
30	Community Youth Development Foundation	Kintampo South District
31	Foundation for Better Tomorrow	Kintampo South District
32	Action Together	Kintampo South District
33	Guard for Earth and Vulnerable	Kintampo South District
34	Care Nehemiah International	TanoNorth District

35	Modesty Foundation	TanoNorth
36	Sihouette	Asutifi District
37	Ahafoman Children Village	Asutifi District
38	Soldiers of the Earth	Sunyani West
39	Alive Support association	Sunyani West
40	Women Care and Support	Jaman South District
41	Friends of Vulnerable People	Tain District
42	Hope for the Vulnerable	Jaman North District
43	Foster Youth Association	Asunafo South District

