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# The 2022 Global Philanthropy Environment Index Ghana

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Edited by the Indiana University Lilly Family School of Philanthropy

## QUICK FACTS

**Legal forms of philanthropic organizations included in the law:** Association, Company Limited by Guarantee, Cooperative, Foundation, Society, Trust

**Five main social issues addressed by these organizations:** Accountable Governance, Human Rights, Basic Needs, Water and Sanitation, Education, Youth and Family

**Average time established by law to register a philanthropic organization:** 31-60 days

**Average cost for registering a philanthropic organization:** USD 205

The average registration cost is around USD 205 for local non-governmental organizations (NGOs) and USD 1,200 for foreign NGOs.

The process of incorporating a non-profit organization (NPO) in Ghana is a registration with the Registrar of Companies as per the Companies Act, 2019 (Act 992). The two other statutes under which some NPOs like civil society groups register are the Trustees (Incorporation) Act of 1962 and the Professional Bodies Registration Decree (NRCD 143) of 1976.<sup>15</sup> While it is relatively easy to register as a CSO in Ghana, it is not inexpensive. The centralized registration process and annual renewal requirement create real barriers, especially NPOs based outside Accra, the national capital. The government has also introduced a Licensure by which the Non-Profit Organization Secretariat (NPOS) grants an organization authorization to operate as an NPO. There is a two-stage licensing process:

The first application is to be made to the Registrar General's Department for a Certificate to Commence Business and complete a set of forms to be filled out. Additionally, four copies of the "Returns of Particulars of the Company Under Section 27 (1) of the Companies Code on Incorporation" must also be submitted together with a registration fee. A snapshot of information contained in the registration forms includes the name and objectives of the NPO, members of the

Executive Board; names, nationalities, addresses, and business occupation of all directors and the secretary; name and address of auditors; and physical and postal address of the office(s).

The second step begins after the applicant receives the Certificate to Commence Business and Certificate of Incorporation from the Registrar General’s Department. The regulator of NGOs in Ghana, The Non-Profit Organization Secretariat, must issue a recognition certificate before operations can begin.

**Government levels primarily regulating the incorporation of philanthropic organizations:**  
Central/Federal Government, State Government, Local Government

In Ghana, the Registrar General incorporates organizations that want to register through the Companies Act 2019 (Act 992). The NGO Secretariat at the Ministry of Gender and Social Protection also has a role, and the local councils also have roles to play in the registration at the local level.

**Philanthropic Environment Scores:**

Year	Ease of Operating a PO	Tax Incentives	Cross-Border Philanthropic Flows	Political Environment	Economic Environment	Socio-Cultural Environment	Overall Score
2022 GPEI	3.83	3.00	3.50	3.25	3.50	4.00	3.51

**Source:** Indiana University Lilly Family School of Philanthropy, 2022 *Global Philanthropy Environment Index*

## Key Findings

### I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

*The three indicator questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration; (B) operations; and (C) dissolution.*

Question One: To what extent can individuals form and incorporate the organizations defined?

<b>Score: 3.5</b>
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In Ghana, individuals and groups are free to register with no government interference. The licensure process includes the need for organizations seeking to operate as a nonprofit to complete and submit the appropriate registration forms to the Non-profit Organization Secretariat, pay a non-refundable fee determined by the NPOS, and be subjected to a fit and proper test. The NPOS is expected to issue a provisional license to an applicant upon meeting certain criteria, and the temporary license is valid for three months and can be renewed. The final license is issued upon the satisfactory outcome of the fit and proper test (Directives for the Management of Non-Profit Organisations (NPOs) Operations in Ghana). Upon the provisional license expiration, if the applicant has not received any written communication from the Secretariat, a final license is issued. The major hindrance to the sector during the reporting period (2018-2020) were the poor policy and legal frameworks for organized forms of philanthropy. It was not easy to find consistent, reliable, and regularly updated information on the nature and extent of philanthropy, especially on organized giving and corporate social responsibility, to facilitate collaboration and ascertain impact. This is because reliable research data is indispensable to appreciate the culture, practices, and policies regulating philanthropy in Ghana and how philanthropy affects the sustainability of Ghana's nonprofit sector. With reliable and adequate information, the philanthropic sector will be empowered to engage with public sector stakeholders more effectively on the sector's issues. Finally, there are limited tax benefits for people who want to give for philanthropic causes.

Question Two: To what extent are POs free to operate without excessive government interference?

<b>Score: 4.0</b>
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The overall environment for philanthropy in Ghana is free and open. There are no limitations or barriers to the formation of POs, and POs in all their forms do not suffer from any real political interference or harassment. The relationship between the philanthropic and state sectors evolved from limited interaction and conflict, which has now been more cordial over the past two decades. The nature of the relationship has evolved since Ghana returned to a democratic dispensation, which is getting more positive over time. In Ghana, philanthropic organizations are free to publish their research findings, share their evidence, and critique government policy and interventions without fear of being victimized. There is increasing recognition of local philanthropic organizations as critical partners to Ghana's development and consolidating democracy through the roles of advocacy on issues and policy proposals, including their roles in decentralizing consultations for bills, lending credence to the influencing role of CSOs in Ghana over the years. The challenges the philanthropic sector has faced have primarily been internal, including their financial sustainability, inadequate

technical expertise, institutional and organizational weaknesses, and political legitimacy problems. Although most of civil society strives to be professional and not partisan, the perception remains that think tanks are political, especially those working in anti-corruption and governance. The annual reporting and renewal requirements for NPOs are generally predictable for organizations registered under the Companies Code and licensed by the Social Welfare Department.

Question Three: To what extent is there government discretion in shutting down POs?

<b>Score: 4.0</b>
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Philanthropic organizations can voluntarily de-register or dissolve in Ghana. The requirements dictate the board of directors must send in a special resolution passed by themselves to dissolve the organization, and they are expected to renew the organization's registration annually, and audit accounts. They must write a notice/letter to the Registrar of Companies (explain the reason for the dissolution) and attach original copies of all registration documents, then the Registrar of Companies will review the documents before any further action is taken. Under the new National Non-Profit Policy, the government has various sanctions (including dissolution) to impose on philanthropic organizations for non-compliance, mainly where philanthropic organizations provide misleading, false information or false declarations with intent to deceive, or fail to renew their license within the stipulated time required, or fail to submit an annual audited financial statement and operational report (in the case of an incorporated entity) or an annual financial statement and operational report (in the case of a community-based organization) or undertake an activity in violation of any Laws and Regulations in Ghana. The sanctions to be imposed may include license revocation, license suspension, withdrawal of tax waiver, blacklisting, fines, or criminal prosecution. Under the new NPO regulations, a sanction shall not be imposed against any PO in Ghana unless the PO has been given 30 days' written notice. During this time, it may appeal the charge to the NPO board before a final decision is made.

## II. Domestic Tax and Fiscal Issues

*The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.*

Question Four: To what extent is the tax system favorable to making charitable donations?

<b>Score: 3.0</b>
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In Ghana, there are provisions (incentives) for making charitable donations. This is broadly described as a contribution/donation to a worthwhile cause in the 2015 Income Tax Act (896) section 100. The Act states that "... person who contributes or makes a donation to a worthwhile cause can claim a deduction from the person's income for such contribution or donation." The word 'person' represents a taxpayer (both corporate and individual taxpayers). The existing laws do not specify the maximum or minimum. However, it states that the Commissioner-General shall consider Section 34 of the Act (General anti-avoidance rule) in determining what should be allowed. Here the Act refers to the Income Tax Act 2015 (Act 896). The process of making qualifying donations (assuming the individual/company wishes to claim such deductions) is relatively complicated compared to other tax jurisdictions.

There is a handful of qualifying ‘worthwhile causes’ approved for deductions in Ghana: donations to recognized charities, education, sports, and rural and urban development causes. After meeting the qualifying donation criteria, the donor must file a form to claim a deduction for a contribution/donation to a worthwhile cause and send this to the Commissioner-General together with other supporting documents, including an acknowledgment of receipt (of the said donations) from the beneficiary. The Commissioner-General will then respond with a decision. It is fair to state that there is too much power vested in the Commissioner-General regarding donations.

Question Five: To what extent is the tax system favorable to POs in receiving charitable donations?

<b>Score: 3.0</b>
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NGOs are exempt from income tax under Section 97 of the Income Tax Act 2015 (Act 896). Under Section 97 (4) of the Act, income tax exemption provisions are made for income derived by and accruing to a charitable organization. Therefore, charitable organizations are exempt from paying tax on their income related to charitable activities or income derived from non-commercial endeavors. However, income derived from commercial business activities is taxable. The process of receiving tax exemptions is not transparent or predictable, as considerable tax knowledge is required regarding qualifying donations and the processes involved, including getting the commissioner’s approval. It is a very tiring process, and information is not readily available, even from the revenue authority’s website. The Commissioner-General determines the definition of tax exemption coverage. However, generally, the body must be a registered/recognized charity from the registrar of companies and must also have applied to the revenue authority through the commissioner for consideration. Some of the requirements also include being recognized/licensed by the sector minister; if the charity is in the field of education, in addition to all the previous requirements, it requires an additional license to qualify for an exemption. In that case, their application must be accompanied by a letter from the Ministry of Education.

### III. Cross-Border Philanthropic Flows

*The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.*

Question Six: To what extent is the legal regulatory environment favorable to sending cross-border donations?

<b>Score: 4.0</b>
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In Ghana, cross-border donations, either in cash or in-kind, are regulated by the Central Bank of Ghana and Customs, Excise and Preventive Service (CEPS). The Bank of Ghana under the Banks and Specialised Deposit-Taking Institution Act, 2016 (Act 930) regulates all movements of funds in and out of Ghana, including cross-border donations for individuals and organizations. Transfers by NGOs to beneficiaries outside Ghana are in two categories: repatriation of funds by international NGOs post-completion of development work in-country and transfers for development work in another country. The Act requires that the sender prove with documentation that such transfers are

for development work in all instances indicated above (the legal status of the sender, approved project documents, evidence of closure in the case of repatriation of funds). There are no restrictions on the amount to be transferred when conditions for documentation are met. However, transfers go through the Central Bank for approval. Transfers are allowable from both onshore and offshore accounts of the sender. Like all other bank transfers, such cross-border transfers attract charges at rates that apply to all sectors of the economy. On the other hand, donations in-kind are regulated by CEPS and the Ministry of Finance. Such donations to beneficiaries outside the country are treated as exports, making them non-taxable.

Question Seven: To what extent is the legal regulatory environment favorable to receiving cross-border donations?

<b>Score: 3.0</b>
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Cross-border donations in cash and in-kind are regulated under the Bank of Ghana under the Banks and Specialised Deposit-Taking Institution Act, 2016 (Act 930), and the Harmonised Code and the Custom Procedures Code (CPC), respectively. The rules under Act 930 applies equally in the transfer and receiving of cross-border donations in cash. Under the Harmonised Code, there are opportunities for tax exemptions for donations in-kind for development organizations. These exemptions are granted only by the Ministry of Finance upon application by the beneficiary organization. This process has some challenges since not all exemption letters are successful when scrutinized under the CPC at the Port of Entry. Under the new NPO operational directives, the NPO secretariat has been conferred with power to take steps to identify and assess the Money Laundering and Terrorist Financing risks for development partners, country-specific or geographic areas, products, services, transactions, and delivery channels. Also, a potential donor's name is required to be placed on the United Nations or domestic or third-party list of persons linked to terrorist financing or against whom a ban, sanction, or embargo subsists. Until this is done, an NPO cannot take money from such a donor partner.

#### IV. Political Environment

*The four indicator questions in the next three sections concern the political context, economic conditions, and socio-cultural characteristics that influence the environment for philanthropy.*

Question Eight: To what extent is the political environment favorable for philanthropy?

<b>Score: 3.5</b>
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The philanthropic sector intervenes mainly in public policy advocacy, playing watchdog roles, working with the government collaboratively, doing research, and planning. In Ghana, the relationship between the state and philanthropic organizations has moved from an initial mistrust and suspicion to greater engagement, recognition, and acceptance. Even with the imposition of restrictions law introduced in 2021 to respond to the COVID-19 pandemic, philanthropic organizations are free to publish their research findings, share their evidence on grassroots action, and make critiques of government policy and interventions without fear of being victimized. Ghana has an open civic space, in spite of the impositions of restrictions law, with no government clampdown on public gatherings during the COVID-19 pandemic, no digital and Internet restrictions,

no physical harm to human rights defenders, and no infiltration of philanthropic organizations by government-sponsored agencies. Generally, philanthropic organizations in Ghana have enough room to function. For the last four years, however, philanthropic organizations like civil society organizations (CSOs) have been apprehensive that civic spaces have eroded somewhat over time. Recently, freedom of the press has been a concern. Some journalists have felt threatened, with one shot dead and another fleeing the country (GhanaWeb, 2019; Gunter, 2019). The perceived diminution of press freedom has been attributed partly to the nature of media houses' ownership. Dependence of the state media on government subvention appears to encourage self-censorship. Other private, mainstream media stations and groups are owned or sponsored by politicians and are highly polarized. Although social media provides an alternative outlet, it is also inundated with fake news, intemperate and abusive language, or plain bullying. Nevertheless, new media offers a huge opportunity for philanthropic organizations.

Question Nine: To what extent are public policies and practices favorable for philanthropy?

**Score: 3.0**

Until 2020, there was a weak legal and regulatory environment for philanthropy; this hindered philanthropy's effective operations, and the lack of single-policy legislation or a legal framework targeted the philanthropic sector. The recently passed NGO policy provides positive indications of the government's readiness to support the sector by setting up a Non-Profit Organization Secretariat to deal with the challenges of having various organizations playing different roles in the management of the philanthropic sector in Ghana. Under the policy, the government also expressed its commitment to work with other stakeholders, to enhance access to nonprofit organization actors' resources, and to ensure an enabling environment to facilitate philanthropic organizations' strengthening and sustainability. This includes enabling local philanthropy to develop and support the activities of NPOs generally and particularly in the social justice, social protection, and social accountability sectors. The passage of the Freedom of Information Law in 2019 after a long and protracted process is also suitable for NPOs in the public policy and accountability sphere. There is a generally high expectation from the public for CSOs to exhibit an increased sense of credibility. Philanthropic organizations' input and lobbying have been vital in the passage of many bills. There have been instances when POs promoted bills that have become laws in Ghana, with a notable example being the Presidential Transition Amendment Act promoted by the Institute for Economic Affairs. Most ministries in Ghana also have sector-specific stakeholders coordinating mechanisms where philanthropic organizations take part in Ghana. In some instances, the philanthropic organizations are part of governing boards of significant boards and advisory committees, including the office of the special prosecutor and members of the Public Interest and Accountability committee, among others, and other statutory boards.

## V. Economic Environment

Question Ten: To what extent is the economic context favorable for philanthropy?

**Score: 3.5**

Ghana is a middle-income country, and various economic opportunities present themselves for Ghana's economic growth despite the current tight fiscal space resulting from COVID-19, albeit

temporary. Among others, the Secretariat of the African Continental Free Trade Area (ACFTA) in Ghana and the availability of relevant policies such as the Economic Community of West African States (ECOWAS) free movement of goods policy could improve national performance. The economic growth in the past few years led to an increasing phenomenon of high net worth individuals. The philanthropic sector needs to capitalize on enhancing domestic voluntarism for investments in supporting social interventions in Ghana. A growing middle class in Ghana also provides opportunities for economic transformation, thus enabling policies to be made pro-poor and gender-equitable, so those philanthropic organizations can use these opportunities to build on their past work to expand economic justice, taking advantage of the opportunities and confronting structural barriers to a just and equitable economy. In 2019, Ghana launched the Ghana Beyond Aid agenda as a paradigm shift to the economic system and mindset of Ghanaians with a focus on how to shift its reliance on aid to an economy based on manufacturing and high-value services. This initiative seems to favor the private sector's investment, as the private sector creates jobs, innovates solutions to problems, pays taxes, reinvests profits or raises capital to expand the economy and expanded opportunities for women, youth, and the poor. Philanthropic organizations need to influence just laws and strong regulations to create the incentives for private companies to act in positive ways—to pay their taxes, to reinvest profits, to treat their workers fairly, to create a gender-equitable workforce, to provide for the cost of care and reproduction, to uphold the rights of workers and communities where they operate, and to protect nature.

## VI. Socio-Cultural Environment

Question Eleven: To what extent are socio-cultural values and practices favorable for philanthropy?

<b>Score: 4.0</b>
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Ghanaian philanthropy is characterized by mutual support. It is common to donate effort, time, money, and other resources to society, especially at events and festivities. The traditional system in Ghana is the chieftaincy system, which, in the pre-colonial era, was the main system of government that combined legislative, executive, judicial, religious and military responsibilities—and these functions were replicated at different levels of the traditional governance structure, from the level of the community up to the paramount chief. This traditional system serves as the primary institution of governance, where chiefs are expected to secure the people's well-being. The chief's palaces (houses of traditional leaders/chiefs) serve as centers of charity and humanitarian work. Most of the supplies are from farmers, fines, and the chiefs' mobilizing power for labor on communal farms. The palace also supports funerals and other social needs of the society. Informal and individual giving serves as the primary source of philanthropic giving in Ghana. This is also a reflection of the nation's expectations for members to contribute to social ceremonies. This type of philanthropy is mainly guided by cultural notions, the key to supporting families and other community members to bear the cost of education, healthcare, and other social issues. Religion plays a vital role in influencing and shaping philanthropic giving because about 71, 18, and 5 percent of Ghanaians are Christians, Muslims and Traditionalists, respectively. Motivations for giving, especially in religious circles, are influenced by faith (Kumi, 2019).

Religious giving, however, is seen as an individual affair because people prefer not to reveal their charitable acts. Among some Christians, the ideals of tithing and giving free-will offerings are an opportunity for meeting their religious obligations, hence attracting blessings from God (Kumi, 2019).



Faith-based philanthropy is, therefore, a significant source of income for the philanthropic sector in Ghana. Giving by churches, mosques, relief agencies, and missionary movements has always existed in Ghana. In Ghana, organizations like the West Africa Civil Society Institute, STAR-Ghana, Sustainable Development Goals (SDGs) platform, Ghana Philanthropy Forum, and INGO forum, play active roles in supporting philanthropic organizations' nurturing, building capacity to influence policies, among other efforts.

### VII. Future of Philanthropy

*These questions are used to provide a general picture of the future of philanthropy in this country, as well as recommendations to improve the philanthropic environment.*

#### Current state of the philanthropic sector

The Ghana Philanthropic Forum in 2018 observed that the lack of a clear definition of institutional philanthropy creates difficulty in understanding the size of the philanthropic sector (Kumi, 2019). Ghana's institutionalized philanthropic landscape is also dominated by international and national NGOs and external private organizations owned by wealthy foreigners who give out grants and donations to charitable organizations using the interest accrued from their investment. Besides, there are grantmaking African philanthropic foundations and networks such as the African Women's Development Fund (AWDF) and STAR-Ghana Foundation, which support philanthropic organizations in Ghana. Also, networks like the African Philanthropy Network and the National Philanthropic Forum enable stakeholders in the Ghanaian philanthropic sector to share experience and information about critical issues in the sector (Kumi, 2019).

While social enterprise development in Ghana is in its infant stages, impact investing is gaining much momentum where individuals invest financial resources intending to improve social and environmental conditions. There is, however, a widespread perception that most philanthropic organizations, especially NGOs, have all the resources needed to pursue their ambitions and do not require resources internally, which is a major affront to domestic voluntarism. For the future of the philanthropic sector in Ghana, nonprofit leaders must be transparent with their local communities, enhance accountability, balance their offline and online activities, communicate their impact offline, and make local fundraising a priority.

Three major recent events affecting the philanthropic landscape between January 2018 and December 2020

1. The National Non-Profit Organization (NPO) Policy, and the Directives for the Management of Non-Profit Organizations (NPOs) Operations in Ghana: The passage of this policy and directives, which have been on the drawing board for some time, will impact the sector broadly, especially in dealing with the harmonized registration process for the philanthropic sector.
2. The set-up of a nonprofit Secretariat for the first time in the country, among other things, licenses institutions to operate as nonprofit organizations, maintains and publishes a list of NPOs in good standing in the country, establishes standards, directives and monitoring and supervising NPOs identified to be vulnerable to money laundering or terrorist financing, and liaising between the government and the nonprofit sector is key.

3. A challenging development currently is the pushing through by the Ghana Education Service (GES) of a policy to certify and regulate philanthropic organizations working in education. Per the draft policy, one cannot operate a nonprofit organization in the education sector of Ghana unless one is a paid-up member of the Ghana National Education Coalition Campaign; a fee is paid to GES for NPO application; GES approves the NPO's activities; the organization's finances are disclosed to GES; GES endorses project proposals before securing funding; and actions are jointly implemented with GES. This is the second time this attempt is being made. The first failed attempt was in 2018. Philanthropic organizations have presented their opposition to the policy, challenging that nowhere in the GES Act 506, Education Act 778, or recently passed Pre-Tertiary Education Act, is GES equipped with the powers to regulate NPOs, and the requirements are a clear violation of the constitutional guarantees of Freedom of Association of the Ghanaian Constitution, and as such, opponents see this as amounting to an attempt to stifle civil society voice and accountability.

#### Future development trends in the philanthropic landscape

One of the major development trends in the philanthropy sector in Ghana is that as official development assistance declines based on the middle-income status of Ghana, with bilateral and multi-lateral donors shifting their portfolio of support from aid- to trade-related investments, (aid to trade), using aid for trade activities (aid for trade), and using development assistance to link the private sector in the donor country to businesses in Ghana (business to business initiatives), discussions are being intensified in many quarters to capitalize on the vibrant culture of personal giving and charitable contributions to support domestic resource mobilization and more effective and sustainable civil society organizations. Recent works suggest the need to expand the enabling environments and the growing number of philanthropists who aspire to contribute material and financial resources to contribute to Ghana's socio-economic development. For example, the Ghana chapter of the Post-2015 Partnership Platform for Philanthropy remains a strategic stakeholder to work with other institutions to coordinate resources from the philanthropic sector (Candid, 2015). Other emerging philanthropic actors include high net worth persons (defined as those with assets that exceed USD 10 million), entrepreneurs, public figures, sports icons, entertainers, individuals who make contributions to religious bodies, and volunteers. Another increasing trend is including corporate foundations such as those in the mining, telecommunication, oil and gas sectors, diaspora networks, and alma mater associations contributing and giving back to the Ghanaian society through investments in social sectors. Other specific grantmaking outfits with a growing interest in Ghana include African Women Development Fund (AWDF), Mastercard Foundation, Conrad N. Hilton Foundation, Ford Foundation, and Rockefeller Philanthropy Advisors (RPA).

#### Three key recommendations to improve the environment for philanthropy

1. In late 2020, two major policies were approved: the National Nonprofit Organizational Policy, and Directives for the Management of Nonprofit Organizations in Ghana. There is a need for the nonprofit sector and responsible government agencies to broadcast the policy and directives among primary stakeholders for ease of applicability of these two documents.
2. There are indications that the government will start working on the enactment of a revised NPO law in Ghana. There was a lot to be desired in terms of consultations with the larger NPO body on the policies, exposing the need for wide and thorough consultations on the bill once the process begins.

3. There is the need to advocate in support of the Corporate Social Responsibility (CSR) Bill and encourage tax incentives for corporate entities to channel funds to other social causes. This is seen as key to enhancing domestic volunteerism.

### VIII. Philanthropic Response to COVID-19

*These questions are used to provide a general picture of the philanthropic response to the COVID-19 pandemic in this country and recommendations for improving cross-sectoral collaboration.*

Areas where the nonprofit sector and philanthropy are playing a role in responding to COVID-19

The philanthropy sector continues to play a significant role in responding to COVID-19 in Ghana. By May 2020, more than 20 philanthropic organizations committed approximately USD 5 million to respond to COVID-19 for health supplies, education support, water sanitation and hygiene interventions, livelihood recovery programs, financial support, sensitization and risk communication related to COVID-19, research, and advocacy and influencing. For example, OXFAM in Ghana repurposed more than USD 600,000 to support the pandemic response to ensure that the poor, vulnerable and marginalized receive adequate and inclusive safety nets. The Star Ghana Foundation committed approximately USD 824,000 to NGOs to complement government efforts toward preventing the spread of the virus and mitigation of the pandemic's effects and risks on vulnerable and marginalized groups (Star Ghana Foundation, 2020). Ghana's CSO platforms on SDGs mobilized more than GHS 120,000 (over US\$ 20,000) from more than 78 organizations and individuals to support the pandemic response to tackle the emerging challenges brought about by COVID-19, prioritizing vulnerable communities at the highest risk (National Secretariat of the CSOs Platform on SDGs, 2021). In the wake of the pandemic, Ghana launched the COVID-19 National Trust Fund to mobilize the citizenry's contributions to assist in the welfare of the needy and vulnerable. Within nine months of the launch of the trust fund, a total of GHS 57,023,092 (USD 100,000) cash donations were received by the fund, and it has since utilized the amount in the provision of materials and financial support to various medical facilities and vulnerable groups across the country. Another exciting development in Ghana's philanthropic sector was the private sector support to deal with the pandemic in Ghana. The Ghana COVID-19 Private Fund pooled resources from partners and citizens to promptly respond to the challenges arising out of the pandemic to construct an emergency hospital for COVID-19, Ghana's first Infectious Disease Isolation and Treatment Centre.

Innovation and new trends in the nonprofit sector and philanthropy related to COVID-19 responses

**Innovative Partnership/Effective Collaboration:** A pandemic as devastating as this one has the power to unite cross-sector groups on a deeper level. NGOs have come together to be intentional about developing "cross-sector innovative partnerships" with others to deal with the pandemic, for example, the Ghana SDG platform and their ability to mobilize USD 20,000 internally to support the response (National Secretariat of the CSOs Platform on SDGs, 2021).

**Enhance Responsiveness:** The pandemic served as a wake-up call to put measures in place to conduct scenario analysis and emergency response planning quickly. NGOs/CSOs in Ghana document today's promising practices and lessons learned from COVID-19 to better respond to future crises. Amplify activism and advocacy: The pandemic has shown the need for philanthropic interventions around critical issues in the social sector to be heightened and scaled. There are

amplified demands for improved public service delivery in Ghana like never before. With a more alert public now experiencing the impact and consequences of COVID-19, some philanthropic organizations are reigniting interest in their advocacy efforts, both on- and offline. Accelerate digital transformation: Philanthropic organizations' staff acquired new skills and gained experience with new tools and applications, including better use of social media and crowdfunding platforms. This has helped NGOs prioritize further technology investments in the post-COVID-19 period as they restructure their operations.

**Rethink funding structures:** Because of the challenges most NGOs were confronted with, including cancellation and suspension of grant agreements with donors—especially the external ones—there is a need for a shift in funding approaches from short-term or project-based contracts to longer ones, in order to strengthen the independence and sustainability of NGOs and see how they can harness domestic volunteerism better, thus looking internally for funding as external funds become less available.

### Impact of COVID-19 on the philanthropic environment

The philanthropy sector has been crippled during COVID-19. Whereas the government in Ghana set up stimulus packages and put in place systems for support to the public and the private sector, the same cannot be said about the philanthropic sector. This was compounded by the lockdowns, border closures, social distancing guidelines and bans on public gatherings, making operations challenging for philanthropy. Many programmatic interventions were stalled, impacting NPOs that rely on direct physical interaction to deliver efficient services for meaningful impact. Another impact of the pandemic was a technology deficit. With lockdowns and social distancing came the need for remote working. Some philanthropic organizations had to close their offices and allow staff to work from home. This required access to technology, the Internet, and data. These remained a significant hurdle, as it was challenging to procure useful software due to a lack of adequate funds. Related to the above, moving activities online, particularly for organizations that do not usually have an online culture, presented a hurdle to effective organizing, translating into low energy and effectiveness in mobilizing support for causes, to some extent. Programming was also hampered, resulting from the funding arrangements. Few donors allowed room for adjustments in project implementation and re-purposing funds for COVID-19-related programming, with limited opportunities given to re-allocate funding resources to cushion them on the institutional shocks resulting from the pandemic. This is coupled with the project-based short-term contracts with donors who support building strong and resilient institutions. Thus, the dependence of philanthropic organizations on external donor funding has not been helpful, with an already-dwindling funding situation squeezed further as major donors, foundations and INGOs found themselves also fighting COVID-19 in their countries.

### Anticipated impact of COVID-19 on the philanthropic environment in 2021

The COVID-19 pandemic has had far-reaching socio-economic implications within national and international contexts, and its impact on the philanthropic sector will be felt for the foreseeable future. For Ghana, decreasing resources from international NGOs, foundations, and donor countries, and the tightening of fiscal space will adversely impact the philanthropic sector, especially in 2021. The government's responses to COVID-19 exposed that most working people are self-employed or casual wage workers who live from hand to mouth, facing unacceptable deficits in access to social services. Rapid urbanization, without job-creating growth, the youth population bulge, and the larger share of women in the population are combining to shift the face of poverty and inequalities to

increasingly urban, youthful, the aged, and female. This will impact how the philanthropic sector deals with these challenges in the coming years. COVID-19 may also deepen old poverty and inequality trajectories. Rural poverty will deepen due to a combination of the agrarian and climate crises. The northern regions, home to the extremely poor, may get poorer and more marginalized as the desire to recover may further concentrate investments in southern Ghana, and a government fiscal crisis could translate into reduced expenditures in health and education. Moreover, the income inequalities between the extremely rich and the rest of the country may be exacerbated if COVID-19 becomes an excuse for the rich and large companies to see tax exemptions and other ways of reducing their tax obligations, or hiding profits in tax havens, thereby shifting the tax burden to consumption taxes that hurt the poor disproportionately. Overall, the COVID-19 pandemic laid bare the sharp inequalities that underlie our societies. It also clearly demonstrated the urgent need for philanthropic organizations to influence substantial investments in health systems and social protection in 2021.

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