

## RESEARCH ARTICLE

# Domestic resource mobilisation strategies of national non-governmental organisations in Ghana

Emmanuel Kumi 

Centre for Social Policy Studies, University of Ghana, Legon, Accra, Ghana

**Correspondence**

Emmanuel Kumi, Centre for Social Policy Studies, University of Ghana, Legon, Accra, Ghana.  
Email: [ekumi@ug.edu.gh](mailto:ekumi@ug.edu.gh); [kumiandy3@gmail.com](mailto:kumiandy3@gmail.com)

**Funding information**

University of Bath, Grant/Award Number: 50th Anniversary Excellence Studentships

**Abstract**

National non-governmental organisations (NNGOs) in Ghana are confronted with declining external donor funding, arising in part from the country's graduation to a lower-middle-income status, but also more complex changes in donor funding modalities. This presents incentives for the mobilisation of alternative domestic resources to ensure organisational sustainability. Drawing on 62 qualitative interviews with NNGOs' leaders, donor representatives and key informants, this article presents findings on how NNGOs in Ghana are responding to this challenge. Using Edwards' idea of funding ecosystem, this article finds that NNGOs mobilised five main domestic resources: (a) volunteer support; (b) individual donations; (c) commercial activities; (d) corporate philanthropy and (e) government funding. The findings shed useful insights on the applicability of democratic, commercial and institutional elements of the funding ecosystem in contexts experiencing aid reduction and donor exit. This article concludes that while external donor funding is an immediate threat to civil society space in Ghana, social innovations in domestic resources in response to it offer limited potentials for NNGOs' financial sustainability due to capacity challenges and the absence of an enabling environment that promote domestic philanthropy. Implications of the research findings for NNGOs' sustainability and domestic philanthropy are discussed.

**KEYWORDS**

aid reduction, domestic resource mobilisation, funding modalities, Ghana, NGOs, sustainability

**1 | INTRODUCTION**

This article explores domestic resource mobilisation (DRM) by national non-governmental organisations (NNGOs) in Ghana.<sup>1</sup> The aim is to situate DRM as an alternative source of funding and support

for NNGOs in an environment of growing uncertainty following Ghana's graduation to a lower-middle-income status and the subsequent perceived decline of external donor funding (Arhin et al., 2018; Kumi, 2019). Dependence on external donor funding creates uncertainty and exposes NNGOs to financial vulnerability

<sup>1</sup>The use of national NGOs in this study is limited to development organisations with primary development intent of serving the needs of the wider society in Ghana that have their origin, registration status and governance structure within Ghana. These organisations are owned and managed by Ghanaians and do not include international non-governmental organisations (INGOs) that have acquired local registration status in Ghana (i.e., country offices of INGOs and those created by INGOs). It is important to mention that the NNGOs in this study are not Community-Based Organisations (CBOs) who operate within specific communities. Rather, they operate at the regional and national levels and rely heavily on external donor funding for their survival.

which negatively affects their short-term survival and long-term sustainability. The article seeks to address the central research question: what strategies do NNGOs use in mobilising domestic resources in the midst of declining external donor funding and support? Addressing this question has wider implications for domestic philanthropy and the sustainability of NNGOs operating in a resource-dependent environment.

This article contributes to the empirical literature on NGOs' resource mobilisation and sustainability in countries facing donor withdrawal and aid reduction (Appe, 2017; Arhin et al., 2018; Hailey & Salway, 2016; Pallas & Nguyen, 2017). The article further adds to our knowledge about NGOs' sustainability strategies by applying Edwards' (2013) framework of funding ecosystem in countries like Ghana experiencing foreign aid reduction and donor exit. While discussion of NGOs and resource dependency has received much attention in the literature (Banks et al., 2015), the majority have focused on NGOs' strategic resources and relationships with donors in uncertain environments (AbouAssi, 2012; Elbers & Arts, 2011). For example, AbouAssi (2012) used Hirschman's typology of exit, voice, loyalty and adjustment to examine volatility in NGO-donor relationships and the strategies adopted by NGOs. Additionally, the existing literature highlights how NGOs react to changes in their relationship with donors through the use of cooperation, confrontation, complementarity and co-option approaches (AbouAssi, 2014). Similarly, Elbers and Arts (2011) examined NGOs' room for manoeuvre in their relationship with donors. While the existing NGO literature is useful, they are inclined towards resource dependency and donor relationships without looking how NGOs mobilise domestic resources when confronted with funding uncertainty in countries that have recently graduated into lower-middle-income status. There is, therefore, a gap in knowledge in terms of how NGOs are mobilising domestic resources to ensure their sustainability.

Discussion of DRM has also become an important mechanism for addressing the accountability, legitimacy and sustainability challenges confronting NGOs (Hayman, 2016; Wiggers, 2016). This article is situated within the emerging literature on DRM and aid reduction and seeks to expand our understanding of the emerging political economy of NGOs' resource mobilisation beyond the narrow focus on external donors. It focuses on the role of domestic resources in promoting a vibrant NGO sector in Ghana by providing rich empirical evidence of how NNGOs are responding to aid reduction and sustainability challenges through DRM.

Drawing on insights from Edwards' (2013) idea of funding ecosystem as the analytical framework, this article presents findings from an empirical study of NNGOs' mobilisation of domestic resources as alternative resources for ensuring their sustainability. While much of the existing literature (Appe, 2017; Pallas & Nguyen, 2017; Wiggers, 2016) suggests that domestic resources could serve as alternative funding route for NGOs' financial sustainability, I argue that in the short term, there is not much possibility for domestic resources to promote NGOs' financial sustainability due

to capacity challenges and the absence of an enabling environment that promote local philanthropy.<sup>2</sup> However, the mobilisation of democratic funding elements such as community volunteers and individual donations enhanced NGOs' credibility and legitimacy because it created opportunities for them to build solidarity and become responsive to the needs and priorities of their intended beneficiaries. This helps in addressing concerns that NGOs are the pawns of foreign donors, hence are distant from their intended beneficiaries which also affects their legitimacy with the grassroots. But the extent of community volunteer involvement in decision-making during project design and planning was limited. The findings point to how power asymmetries between NGOs and intended beneficiaries undermines effort to promote downward accountability.

To this end, I suggest that it is important not to overhype domestic resources as a 'magic bullet' for addressing the financial sustainability predicaments of NNGOs. Rather, there is the need to acknowledge the context specificity of opportunities and challenges associated with NNGOs' resource mobilisation. Given the challenges associated with domestic resources, I maintain that in countries experiencing aid reduction and donor exit, relying solely on one approach to funding (i.e., domestic philanthropy or external donor funding) is detrimental to the sustainability of NGOs. Therefore, a resource mobilisation strategy that focuses on a blend of external and domestic resources will be ideal in ensuring NNGOs' sustainability. Resource diversification from both external donors and domestic sources is a useful strategy given that no single alternative source of funding would be sufficient, the combination or a mixture of strategies is potentially more transformative in promoting NNGOs' survival. In this regard, the importance of donor funding and support for NNGOs' financial sustainability cannot be underestimated. Also, for domestic resources to become a viable source of funding for NGOs, it requires the creation of an enabling environment that facilitates the growth of the local philanthropic sector.

The rest of the article proceeds as follows. The next section provides a discussion of NGOs' resource-dependent environment with particular focus on donor withdrawal and changing funding modalities. This is followed by the idea of funding ecosystem which is used in analysing the different resource mobilisation strategies by NGOs. The next section presents the research methodology. The penultimate section presents the research findings. This is followed by a discussion of the research findings while the last section concludes by reflecting on the limitations of the research findings and direction for future research.

<sup>2</sup>A financially sustainable NGO as an organisation that is able to mobilise resources (both material and non-material) to achieve its mission over time by meeting the needs of its key stakeholders while ensuring its own independence, viability and survival. While recognising that NGOs' sustainability is holistic and multidimensional in nature, this article focuses on financial sustainability because it is the most expressed concern and major sustainability risk mentioned by NGOs (see e.g., Hailey & Salway, 2016).

## 2 | ENVIRONMENTAL UNCERTAINTY: AID REDUCTION AND CHANGING FUNDING PRIORITIES

Organisational external environment plays a crucial role in understanding uncertainty and dependence upon resources for survival. For NGOs, the environment constitutes a major source of uncertainty (Pfeffer & Salancik, 2003). Environmental uncertainty occurs when NGO managers are unable to properly predict the outcome of events because of environmental dynamism. This creates vulnerability for organisations dependent on the environment for resources as they are compelled to constantly alter their activities in response to environmental conditions (Pfeffer & Salancik, 2003).

For NGOs, changing donor funding priorities and unreliable support create environmental uncertainty because they are unable to plan strategically and implement their programmes and activities. Unreliable donor support is manifested in the withdrawal and cuts in funding for governments and NGOs (Arhin et al., 2018; Pallas & Nguyen, 2017). For example, net Official Development Assistance (ODA) disbursed to sub-Saharan African (SSA) countries declined by 7.09% (i.e., from US\$ 46.1 million to US\$ 42.3 million) between 2013 and 2015 (OECD, 2017). Among the potential factors accounting for aid reduction include the graduation of many SSA countries such as Ghana into the category of lower-middle-income status caused by sustained economic growth and the discovery of oil, global economic crisis and changing funding modalities and priorities of donors (Arhin et al., 2018; Kumi, 2017; NDPC & UNDP, 2015). The decline in donor commitment has directly affected the inflows of ODA. For instance, between 2009 and 2014, the country witnessed a substantial decline in ODA inflows from US\$ 2.1 billion to US\$1.1 billion respectively. In addition, the percentage of ODA to Gross Domestic Product (GDP) has also declined steadily from 6.1% to 2.1% between 2009 and 2013 with a further decline projected in the coming years (NDPC & UNDP, 2015). This is reflected in the decline of multi-donor budget support (MDBS) and general budget support (GBS) over the years. For example, between 2010 and 2014, the grants component of MDBS to Ghana declined steadily from US\$ 204.5 million to US\$ 42.5 million, respectively, due in part to Ghana's graduation to lower-middle income status (Kumi, 2017, p. 59). Similarly, the amount of ODA from the Development Assistance Committee (DAC) countries channelled through civil society organisations (CSOs) including NGOs in Ghana have over the years declined. For example, between 2016 and 2019, gross disbursement of ODA declined from US\$150.724 million to US\$103.251 million (OECD, 2020).

It is important to mention that in Ghana, NNGOs are heavily dependent (i.e., about 80%–90%) on external donor funding largely in the form of ODA although there are some private philanthropic organisations such as the Bill and Melinda Gates Foundation, Ford Foundation, Open Society for West Africa and the STAR-Ghana Foundation that support the work of NNGOs (Kumi, 2019).

While much of the funding of private philanthropic organisations are channelled through NGOs in Ghana, this is relatively smaller than that of ODA channelled through NGOs. For instance, between 2017 and 2019, the amount of ODA channelled through NGOs in Ghana was US\$386.35 million compared to US\$ 6.43 million from private philanthropic organisations (OECD, 2020). In many developing countries including Ghana, donors manufacture their projects and require the services of NNGOs as contractors, sub-contractors and consultants for implementation (Watkins et al., 2012).

Aid reduction is also associated with changing donor funding priorities. For instance, donors tend to have high preference for direct funding to international non-governmental organisations (INGOs) rather than local NGOs in the Global South. For example, in 2013, aid to and through NGOs in the Global North was more than seven and half times than those in the Global South (OECD, 2015). Donors' preference for INGOs is informed in part by reasons such as lowering monitoring and enforcement costs associated with funding small NGOs because of their inability to manage large grants as well as reducing risks associated with direct funding due to principal-agent problems caused by the lack of information (Copestake & O'Riordan, 2015; Watkins et al., 2012). Donors' preference for INGOs creates environmental uncertainty for NNGOs as their role is confined to sub-contracting for service delivery within the wider aid system. This threatens NGOs' effectiveness and survival due to their inability to predict future funding patterns. For this reason, failure to properly perceive and interpret changes in the external environment and act accordingly could lead to fatalities such as total disbandment and suspension of operations especially among NGOs with high donor dependence.

The extant literature demonstrates that NGOs' dependence on external donors has compelled them to align their programmes and activities towards donors (AbouAssi, 2012; Banks et al., 2015). This in turn raises contentious issues about NGOs' credibility, accountability, autonomy and flexibility because they are used by donors as aid-delivery channels which has negative effects such as goal displacement. To this end, NGOs have come under criticism for being less accountable to their domestic constituents because of their focus on upwards accountability towards donors, hence threatening their legitimacy, credibility and sustainability (Banks et al., 2015; Hayman, 2016).

Faced with the challenges of sustainability and legitimacy associated with dependence on external donor funding, many NGOs are seeking to diversify their funding by mobilising domestic resources. DRM has become an important strategic response employed by NGOs in overcoming their resource dependence. This helps NGOs to reduce their financial vulnerability and become responsive to the needs of their intended beneficiaries which also enhances trust by building a sense of local embeddedness (Kumi & Hayman, 2019; Wiggers, 2016). This tends to create some level legitimacy, a crucial ingredient for sustainability (Hayman, 2016).

### 3 | SITUATING DOMESTIC RESOURCE MOBILISATION WITHIN THE ECOSYSTEM OF FUNDING

This article adopts Edwards' (2013) idea of funding ecosystem in understanding the strategies employed by NGOs in mobilising domestic resources in Ghana. In doing so, the article applies the idea of funding ecosystem with particular focus on how NGOs mobilise the needed domestic resources to bring about social change when faced with uncertainty in Ghana. While recognising that some scholars have used alternative frameworks such as Hirschman's typology of voice, exit and loyalty (AbouAssi, 2012) and Oliver's typology of strategic responses in understanding how NGOs react to environmental uncertainty (Elbers & Arts, 2011; Oliver, 1991) they mainly focus on donor-NGO relationships which often over-emphasise resource dependency. It is important to mention that Hirschman's self-interest theory was used in explaining consumers' behaviour based on the typology of exit, voice and loyalty (Hirschman, 1970). According to Hirschman, exit is used by consumers seeking better alternatives services or products when they become dissatisfied with the product or its associated benefits. Voice is also used when consumers make complaints or wants an improvement in the products or services rendered. On the other hand, loyalty is practiced by consumers attached to a product or a service provider despite their dissatisfaction (Hirschman, 1970). Building on Hirschman's typology, AbouAssi (2012) proposed the exit, voice, loyalty and adjustment framework to explain variations in NGOs' responses to environmental uncertainty in Lebanon caused by changes in donor funding priorities. According to AbouAssi (2012), NGOs practice exit when they decide to stop seeking funding from a particular donor. In doing so, they suspend their funding relationships because they are dissatisfied. On the other hand, voice is used by NGOs interested in continuing their funding relationships with donors. The NGOs therefore influence donor funding policies while maintaining their own organisational goals and interests. Loyalty is also practised by NGOs that are mostly the creation of donors who carry out their agenda. NGOs practising loyalty often change their goals and interests to align with the interests of their donors. Lastly, adjustment occurs when NGOs willingly change their priorities 'to account for changes in the donor's funding preferences' (AbouAssi, 2012, p. 594).

Elbers and Arts (2011) also built on Oliver's strategic responses to uncertainty (i.e., acquiesce, compromise, avoid, deny and manipulate) to explain the strategies employed by southern-based NGOs in dealing with conflicting donor conditions. For Elbers and Arts (2011), NGOs employ the strategy of avoiding with the tactics of selecting, rejecting and exiting while others resort to influencing strategy by using tactics such as negotiating, persuading and involving. Other strategies used include buffering (i.e., shielding and compromising) and portraying (window-dressing, withholding and misrepresenting).

While AbouAssi's typology of exit, voice, loyalty and adjustment (AbouAssi, 2012) and Elbers and Arts' (2011) strategies of avoiding, influencing, buffering and portraying are useful, they tend to narrowly focus on how NGOs respond to uncertainty caused by

changes in donor conditions and priorities rather than how NGOs mobilise domestic resources to sustain their operations in contexts characterised by aid reduction and donor withdrawal. Therefore, their applicability is limited in explaining how NGOs mobilise domestic resources to ensure their sustainability when faced with the challenge of aid reduction and its resultant uncertainty.

Another rationale for using Edward's idea of funding ecosystem is that the mobilisation of domestic resources by NGOs is not only necessitated by changes in donor priorities and conditions but also the need for NGOs to maintain their legitimacy and credibility with the grassroots which is crucial for their sustainability. As Hayman (2016) highlights, NGOs sustainability goes beyond financial resources by donors to include non-financial resources such as legitimacy and credibility. Therefore, the mobilisation of domestic resources has the potential of enhancing NGOs' legitimacy and credibility (Kumi & Hayman, 2019).

According to Edwards (2013), the funding ecosystem of NGOs comprises of three distinct elements each of which is suited to a different set of tasks in bringing about social change. These elements are commercial, institutional and democratic sources within which NGOs can mobilise resources (see Table 1). These elements or variables of the funding ecosystem were conceptualised from a systems thinking approach that goes beyond a funding monoculture by incorporating different funding or revenue-generating streams that is matched to the different needs of NGOs. Edwards (2013) argues that systems thinking approach to resource mobilisation emphasises on the inter-dependence and complementary nature of the different elements of the funding ecosystem.

According to Edwards (2013), commercial elements focus on the use of the market in the generation of social and financial returns through mechanisms like social enterprises, impact investments and venture philanthropy. Recent years have seen the increasing engagement of NGOs in commercial activities (Appel, 2017; Hailey & Salway, 2016). For example, in the case of Cambodia, Khieng and Dahles (2015) found that in response to resource dependency pressures, NGOs undertook commercial activities such as the sales of reports, books, magazines and also charged fees from clinics and family planning tests. Similarly, in Vietnam, Pallas and Nguyen (2017) found that NGOs were operating social enterprises and charging fees for delivering health services such as community-based detoxification for drug users. This approach to resource mobilisation from commercial sources was a strategy adopted by NGOs following the withdrawal of external donor funding. More importantly, some NGOs in Latin America have also become more creative and innovative in their resource mobilisation. For instance, in the Andean countries, Appel (2017) found that about 48 CSOs were considering engaging in income generating activities such as social businesses to sustain their operations.

Commercial elements of the funding ecosystem help NGOs in emancipating themselves from donors by granting them autonomy and ownership as well as reaching out to wider beneficiaries by initiating new programmes independent of donor funding (Khieng & Dahles, 2015). However, increased reliance on commercial elements

TABLE 1 Alternative funding sources, strategies and trade-offs

Self-funding	External funding	Pros	Cons
Commercial			
Income generating activities; corporate social responsibility; consultancy; co-branding; social enterprise	Technical service delivery (e.g., broking community links). Grants linked to corporate social responsibility (CSR)	Potential to scale up through growth; acquisition of business management	Distract staff from core activities; mission drift (e.g., up market to richer clients); dilution of values; weakened downward accountability
Institutional (government, foundations, larger NGOs, donors)			
Quasi-government role including 'voluntary' taxes (e.g., in weak and failing states)	External grant funding and sub-contracting for service delivery	Scaling up through mainstreaming; useful learning networks and political alliances for resource mobilisation	Political co-option; excessive bureaucracy; loss of autonomy; focus on process compliance not results
Democratic (civil society)			
Membership charges and voluntary donations)	Alliances with(in) social movements; private and voluntary funding from individuals to serve their needs and preferences (for example, crowdfunding, horizontal philanthropy, gift economy)	Power reversals; stronger downward accountability to local constituents and intended beneficiaries; social legitimacy, long-term sustainability	Loss of professional autonomy; elite capture; exclusion of non-members

Source: Adapted from Copestake, 2017.

by NGOs weakens their commitment to beneficiaries through the dilution of organisational values. This poses a moral dilemma because of its potential of undermining their social mission orientation through the prioritisation of organisational sustainability over beneficiaries' needs (Ebrahim et al., 2014). Moreover, as Edwards (2013) argues, the use of commercial elements of the funding ecosystem is limited in contexts that require the participation of people in decision-making processes beyond financial returns or when investments are too risky for market-based interventions. In this regard, relying on institutional funding becomes the best alternative.

Institutional elements focus on funding from national governments, international development systems, foundations and donor agencies. Faced with the challenge of aid reduction and changing funding priorities by external donors, many NGOs in the Global South are seeking funding from their national governments as part of their domestic resources (Kumi & Hayman, 2019; Pandya & Ron, 2017). While national governments in many developing countries do not allocate a portion of their budget to support NGOs (Khieng & Dahles, 2015), some scholars have argued that government funding is particularly important for NGOs engaged in service delivery (Pousadela & Cruz, 2016). Aside from national government funding, NGOs are also mobilising the support of corporate philanthropic institutions (Kumi, 2019). However, according to Edwards (2013), the challenge with institutional elements of the funding ecosystem is that they have weak accountability and transparency structures and are subject to the ideological preferences of those who control resources. Institutional donors are known to change their funding modalities and priorities which creates financial vulnerability and environmental uncertainty for NGOs (AbouAssi, 2012). In addition, just like commercial elements, institutional funding models have much potential

to result in mission drift where NGOs fulfil the interest of donors. Moreover, government funding has the potential of resulting in alternative dependency and co-optation which can lead to 'advocacy chill' for the advocacy work of NGOs (Pousadela & Cruz, 2016).

For this reason, the problems of institutional funding can be addressed through democratic elements of the funding ecosystem which are concerned with the creation of mechanisms to serve the needs of a particular group of people. Typical examples are horizontal giving, volunteering, community philanthropy and the sharing of solidarity with each other without conditionality. Democratic funding models also include payment of membership dues and individual donations (Edwards, 2013). Democratic elements such as community philanthropy, individual donations and volunteering reinforce participation, downward accountability and enhances the legitimacy and credibility of NGOs especially in countries where they are accused of promoting donors' interest (Kumi & Hayman, 2019; Pandya & Ron, 2017). Mobilising democratic models is particularly useful for encouraging new forms of politics, activism and changing public norms because of NGOs' dependence on citizen actions. For instance, the mobilisation of community philanthropy helps in the reconfiguration of power or power reversal by shifting power to communities where beneficiaries decide on their own fate (Hodgson & Pond, 2018). In this regard, it builds solidarity and gives much agency to the excluded as it creates opportunities for equal participation of members in the development process (Edwards, 2013). For instance, Mathie et al. (2017) document the importance of citizen-led development in giving citizens the 'power to', 'power with' and 'power within'. This helps in curbing the ability of powerful actors with money and control to impose their views on citizens. This notwithstanding, democratic elements of the funding ecosystem are

associated with loss of professional autonomy and have the potential of reinforcing elite capture which reduces the capacity of community members with competing interests. This leads to the exclusion of the vulnerable and marginalised in society.

The different elements of Edwards' (2013) idea of funding ecosystem will be used in explaining the empirical findings. In doing so, it will apply the idea of funding ecosystem in understanding how NGOs mobilise domestic resources in Ghana to ensure their sustainability. Next, I discuss my research methodology.

## 4 | METHODOLOGY

This article relies on a qualitative research methodology in examining the strategies employed by NNGOs in mobilising domestic resources in Ghana. Qualitative methodology was chosen because the article sought to explore the perception of interviewees on DRM. This article is based on primary or empirical data gathered through in-depth semi-structured interviews with 32 NNGOs in health, education and agriculture sectors in the Northern, Upper West and Greater Accra region of Ghana. The health, education and agriculture sectors were chosen because they are the largest recipient of external donor funding and support. For example, between 2005 and 2015, NGOs operating in health, education and agriculture sectors received US\$304.8 million, US\$161.3 million and US\$183.5 million, respectively, compared to US\$28.3 million and US\$32.5 million for humanitarian aid and democratic participation, respectively (OECD, 2017). For this reason, understanding how changes in donor funding priorities and demands are making local NGOs explore alternative DRM routes is important.

Moreover, the choice of the Northern and Upper West region (hereafter, Northern Ghana) was also informed by the peculiarities of development problems in Northern Ghana characterised by high poverty incidence. For example, in 2014, poverty rates in Northern and Upper West region stood at 70.7% and 50.4%, respectively (Ghana Statistical Service, 2014). This has led to high NGOs' presence in these regions. The Greater Accra region was selected because it serves as the headquarters of many government institutions, private philanthropic organisations and corporate organisations which serves as avenues for the mobilisation of domestic resources for NGOs. In addition, the different geographical areas present different opportunities and challenges for NGOs in their attempt to mobilise alternative resources.

Compressive data on the precise number of NGOs in Ghana is lacking. However, data gathered from the Department of Social Welfare (DSW) as of May 2016 put the number of total registered NGOs at 6520. Out of this, national and international NGOs were 6370 and 150, respectively. Of the 6520 registered NGOs, only 1952 were considered active on regular basis because they had renewed their year-on-year certificate with the DSW. Out of the total number of active NNGOs, 32 were purposively selected through a criteria sampling (see Table 2 for information on the sampled NNGOs). The selection criteria were: (a) the NNGO must have been in existence for

more than 5 years and might have had experience with donor funding; (b) number of paid staff must be more than four; (c) NNGOs must have had more than one source of funding; (d) NNGOs must have indicated that they mobilised domestic resources to ensure their sustainability; and (e) NNGOs' leadership must be willing to grant access for their participation in the research. The use of purposive sampling was on the basis that I was not sampling to be representative of the NNGO sector but rather explore in-depth through key informant interviews with NNGO employees to capture diversity of context and experience on how they mobilised domestic resources. Access to the NNGOs was through networks and coalitions such as the Ghana Coalition of NGOs in Health, Ghana National Education Campaign Coalition and Northern Network for Educational Development. For the selected 32 NNGOs, an email informing and requesting for their participation in the study was sent. Once the organisations indicated their willingness to participate in the study, appointments were made with the staff including executive directors, project managers or directors, resource mobilisation and project officers to solicit their perspectives on DRM.

In total, 42 NNGO staff members were interviewed across the 32 NNGOs (see Table 2). It is worth emphasising that some participants were interviewed more than once in this study. The interviewees included executive directors, programme directors, managers and project officers. The interviewees comprised of 15 females and 27 males who averagely had worked in the NGO sector for at least 12 years. Some of the interviewees had more than 30 years of experience in the NGO sector (see Table 2). This ensured that the inclusion of staff at different organisational hierarchy.

Aside from the NNGO staff, 20 key informants (8 donor representatives from bilateral, multilateral agencies and INGOs responsible for managing their relations with NNGOs), 2 corporate foundations and 10 experts (4 government officials, 2 academics and 4 development consultants) with extensive knowledge of the Ghanaian NGO sector were interviewed (see Appendix 1 for the list of key informants interviewed). Donor representatives were purposively selected to understand their perspectives on issues such as changes in their funding priorities and donor withdrawal and its effects on the sustainability of NNGOs in Ghana given that their funding serves as a 'lifeblood' for the survival of many NGOs. In addition, the donor representatives were chosen because their agency supports the work of NNGOs and they had formal responsibility for or practical knowledge of the NGO funding landscape in Ghana. The representatives of two corporate foundations were also chosen purposively to understand their perspectives on corporate philanthropy and their engagements with NGOs. Government officials at the Ministry of Finance and DSW were purposively selected because of the role they play in regulating the NGO sector and also to solicit their perspectives on how the institutional environment including government policies influences DRM by NGOs and its associated challenges. Other key informants including consultants and academics were selected purposively due to their extensive knowledge and experience in the Ghanaian NGO funding landscape and sustainability issues. These key informants provided independent

TABLE 2 Summary profile of sampled NNGOs and list of interviewees

NNGO name	Year established	Region (s) of operation	Core focus area	Number of paid staff	NNGO financial and non-financial sources	Position of interviewee	Gender	Years of experience in the NGO sector
NNGO 1	2008	Greater Accra, Eastern, Volta and Brong-Ahafo	Promotion of quality basic education through technology	5	Receives multiple funding from external donors, engage in income generating activities	Executive director	Male	20 years
NNGO 2	1995	Greater Accra, Eastern, Central, Volta and Brong-Ahafo	Women's health education and empowerment	10	Used to receive multiple donor funding but currently has no external donor funding; Established a social enterprise and relies more on individual and corporate donations; social enterprise and income generating activities	Programmes manager	Female	10 years
NNGO 3	2002	Greater Accra, Eastern, Western, Central, Volta, Ashanti, Brong-Ahafo, Northern	Gender-based advocacy with focus on the promotion of health, education and women's economic empowerment	85	Funded 75% by 26 donors; contracted by the Ministry of Health and the Ghana AIDS Commission, engages in income generating activities	Programmes manager Executive director	Male Male	8 years 12 years
NNGO 4	2004	Northern, Upper East, Ashanti, Brong-Ahafo, Volta, Eastern, Central, Greater Accra and Western	Promotion of right-based approach to health (maternal, child, reproductive)	8	Funded 80% by external donors through multiple INGOs; contract by the Ministry of health, engage in consultancy services, has establish a social enterprise	Head of research	Male	8 years
NNGO 5	2001	Greater Accra, Eastern and Brong-Ahafo	Focus on agriculture and climate change education	6	Funded solely by UN agencies, income generating activities through consultancy, relies on corporate and individual donations	Executive director	Female	5 years
NNGO 6	2001	Greater Accra, Western, Central, Volta	Focus on the promotion of health, education and women's economic empowerment in various communities	23	Funded 60% through external donors, secure corporate funding to implement corporate social responsibility, secure government contract, engage in income generating activities	Executive director	Male	13 years
NNGO 7	1993	Upper West, Northern, Greater Accra, Volta, Western, Brong-Ahafo, Ashanti	Focus on the promoting educational and health facilities in communities in addition to economic empowerment	7	Depend largely on external donor funding, generate income through consultancy, publication and ICT training	Programmes manager	Male	7 years

(Continues)

TABLE 2 (Continued)

NNGO name	Year established	Region (s) of operation	Core focus area	Number of paid staff	NNGO financial and non-financial sources	Position of interviewee	Gender	Years of experience in the NGO sector
NNGO 8	1987	Northern, Upper West, Upper East, Brong-Ahafo, Ashanti, Volta, Western, central, Eastern and Greater Accra	Health, education, governance, extractive industry	23	Highly donor dependent, engage in consultancy and subgrant to other NNGDOs	Director, finance and administration	Male	15 years
NNGO 9	2004	Greater Accra	Health education in communities in the Greater Accra region	4	Donations from board of directors, reliance on community volunteers, external donor funding, contracted by the Ghana AIDs Commission and the Ministry of Health	Executive director	Female	9 years
NNGO 10	2006	Greater Accra	Basic education, empowering and advocating for persons with disability.	6	Income generating activities, community volunteers, donations from individuals and corporate organisations, external donor funding	Executive director	Male	12 years
NNGO 11	1992	Greater Accra, Northern, Central	Policy advocacy in education, agriculture and health sectors	5	Funded by 4 main international donors, engage in consultancy services	Executive director	Male	6 years
NNGO 12	2005	Northern, Upper West and Upper East	Health, education, agriculture and child rights	15	Funded 80% by external donors; engage in income generating activity through consultancy; transport business and hiring of office space, donations from individual and corporate organisations; community volunteers	Executive director; Executive director	Male	10 years
NNGO 13	2008	Northern	An advocacy organisation in health, education, agriculture, youth and women's empowerment	6	Funded mainly through consultancy and bilateral donor and INGOs; volunteer support	Executive director	Female	13 years
NNGO 14	1996	Northern	Focus on assisting communities in the area of agriculture, health, environmental management and governance	5	Initially had 5 external donors supporting the organisation but currently relies on only one INGO through partnership; high involvement of community volunteers and reliance on individual donations	Executive director Programmes manager	Female Male	34 years 8 years
NNGO 15	2003	Northern	Agriculture and food security	10	Funded 90% by external donors; engage in income generating activities through microcredit	Executive director	Male	14 years

TABLE 2 (Continued)

NNGO name	Year established	Region (s) of operation	Core focus area	Number of paid staff	NNGO financial and non-financial sources	Position of interviewee	Gender	Years of experience in the NGO sector
NNGO 16	2002	Northern and Upper East	Gender-based advocacy organisation with a focus on women empowerment and SRHR interventions.	12	Funded 90% through more than 20 external donors including bilateral, multilateral and INGOs, engage in microcredit and financial services, planning to establish social enterprise to train youth and women	Programmes director	Male	19 years
NNGO 17	1986	Northern	Focus on education, agriculture and local governance with the aim of empowering communities to hold duty bearers to account	33	Initially funded 100% by one bilateral donor but now seeking other sources of funding through microcredit, vocational training centre and consultancy services	Programmes director Field officer	Female Female	8 years 4 years
NNGO 18	2005	Northern	Focus on agriculture, health, education, governance and women's empowerment	7	International donors, consultancy in capacity building, agro processing and microcredit	Executive director	Male	30 years
NNGO 19	1997	Northern	Focus on health and governance with particular emphasis on advocacy against which camp and catering for the need of the elderly	5	Initially had funding from external donors but currently has no donor support, relies on individual donations, community volunteers, engage in farming and rearing of livestock	Executive director	Male	31 years
NNGO 20	2002	Northern, Upper West and Upper East	Focus on health, education, food security, water, sanitation and Hygiene	8	Relies mainly on INGOs through partnerships, engage in income generating activities in microcredit, consultancy and social enterprise in commercial agriculture	Executive director Project officer	Male Female	12 years 2 years
NNGO 21	2006	Northern, Upper West, Upper East, Greater Accra and Ashanti	Health and governance	12	Relies mainly on external donor funding and individual or corporate donations	Programmes manager	Male	9 years
NNGO 22	2001	Northern	Focused on enhancing the quality of life for poor and marginalised through interventions in health, education, governance and livelihoods	15	International donors, local NGOs, District Assemblies, corporate and individual donations, microcredit schemes and consultancy	Executive director; Executive director	Female	14 years

(Continues)

TABLE 2 (Continued)

NNGO name	Year established	Region (s) of operation	Core focus area	Number of paid staff	NNGO financial and non-financial sources	Position of interviewee	Gender	Years of experience in the NGO sector
NNGO 23	2009	Northern	Health, education and agriculture	4	Contributions from board of directors, individual donations, INGOs and consultancy	Executive director	Female	10 years
NNGO 24	1995	Northern, Upper West and Upper East	Basic education	31	Funded 90% by one bilateral donor but currently exploring other sources including consultancy and community volunteers	Programmes manager	Male	6 years
NNGO 25	2008	Northern	Basic and secondary education, women's empowerment	5	Depend on external donor funding, social enterprise and individual donations	Executive director	Male	12 years
NNGO 26	2007	Northern	Youth empowerment, health, education and agriculture	10	Depend largely on external donor funding, local NGOs and income generating activities	Programmes manager	Female	15 years
NNGO 27	2002	Northern	Health, education, agriculture and livelihood empowerment	14	Depend 85% on external donor funding; income generating activities	Executive director; Executive director	Female	21 years
NNGO 28	2009	Northern, Upper West, Upper East and Volta	Health, education, agriculture, youth, gender and social exclusion	18	Mainly through external donors, social enterprise, individual donations	Executive director	Male	14 years
NNGO 29	2008	Northern, Upper West and Upper East	Health, education, agriculture and human rights focusing on the prevention of early child marriage and offering support to women accused of witchcraft.	10	Depend mainly on external donors and contributions from board members and community volunteers.	Programmes director	Male	10 years
NNGO 30	2004	Northern and Upper West	Health, education, agriculture, governance	12	Funded mainly through INGO, contributions from executive director and engagement in consultancy and microcredit.	Executive director	Female	18 years
NNGO 31	2005	Upper West and Northern	Health, education, agriculture and local governance	6	Funded mainly through external donors; social enterprise, consultancy and multiple donations from individuals and corporate organisations.	Executive director	Female	8 years
NNGO 32	1992	Northern and Upper West	Health, education, agriculture and food security, Water, Sanitation and Hygiene	12	Donor grants, consultancy, social enterprise, individual and corporate donations	Executive director	Male	12 years

assessments of NNGOs' engagement with DRM. The rationale was to help in triangulating and validating the responses provided by NNGOs staff, donor representatives and government officials.

Data collection took place between July 2015 and July 2016 as part of a doctoral research on resource mobilisation and strategic responses of NGOs to aid reduction and donor exit in Ghana and involved the use of semi-structured interviews. The aim was to understand respondents' point of view on their resource mobilisation experiences. The interviews addressed issues such as sources of domestic resources, strategies for resource mobilisation, challenges and sufficiency of domestic resources for NGOs' sustainability, as well as trends and future expectations. All interviews were conducted in English by means of face-to-face interactions. These took place in respondents' offices which afforded them the opportunity to freely discuss their perspectives on DRM. All interviews were taped recorded with the consent of respondents which allowed for verbatim transcription.

The interviews were transcribed and coded using NVivo 11 through a thematic analysis. The analysis of the qualitative data followed an inductive and iterative approach to qualitative data analysis. Primary and secondary codes were developed in NVivo 11 and the process of indexing helped in the identification of patterns in the data (see Appendix 2 for the list of codes). The thematic analysis followed the six steps proposed by Braun and Clarke (2006). In ensuring respondents' anonymity, their names and organisations were not included in the analysis. To ensure the validity and reliability of the research findings, methodological strategies including member checking where transcripts were sent to respondents for their verification was employed.

## 5 | FINDINGS

Using Edwards' (2013) idea of funding ecosystem as the analytical framework, the findings in this study are presented under three themes (i.e., democratic, commercial and institutional elements of the funding ecosystem) that represent the strategies employed by NNGOs in mobilising domestic resources in Ghana. In doing so, the empirical findings apply the idea of funding ecosystem in the context of Ghana by NNGOs seeking to mobilise domestic resource to ensure their short-term survival and long-term sustainability. Before presenting the empirical findings, it is important to highlight some caveats. The analysis of the findings does not focus on assessing the effectiveness or otherwise of the strategies employed by NNGOs. Thus, an assessment of the effectiveness of the DRM strategies is outside the scope of this article.

### 5.1 | Democratic funding elements

Results on democratic funding model have been grouped under (i) volunteering; and (ii) individual giving.

#### 5.1.1 | Volunteering

Democratic elements of the funding ecosystem focus on mechanisms created by groups in serving their own needs and involve a high degree of direct responsibility through public participation and contributions to development. As part of their DRM strategies, many NNGO staff explained that they had increasingly become dependent on community volunteers in supporting their activities. In ensuring their sustainability, it was reported that the absence of core funding has meant that many NNGOs engaged the services of community volunteers to undertake their programmes at the community level. Interviewees explained that the mobilisation of volunteers as a domestic resource was crucial in helping them reduce their operational and administrative costs given the absence of core funding which created difficulties for them to hire and retain experienced paid staff when project funds end as stated by one interviewee: 'the effect of the lack of core funding is that you are not able to sustain your staff. However, we have a lot of community volunteers. For these people, you don't pay them salaries' (Interview, 5th April 2016, Accra). It was emphasised that activities that would have required the services of paid staff were easily passed on to the community volunteers, hence helping NNGOs to reduce their costs as explained by an Executive Director:

We involve a lot of community members in our programmes [...] Instead of increasing the number of paid staff, we use community volunteers. So, we are able to reduce our administrative costs (Interview, 14th April 2016, Tamale).

According to interviewees, reliance on community volunteers served as important human resources for addressing shortfalls in paid staff. This ensured that projects did not end abruptly. By doing so, some NNGO staff argued that they sustained their presence and influence in project communities even in the absence of funded projects. For example, a Project Officer of an NNGO in Tamale that supports vulnerable children explained the importance of community volunteers in maintaining their presence in communities. The officer argued that working with volunteers created a sense of community buy-in, participation and ownership:

We work with community volunteers and always make them feel part of the projects we are implementing in the form of local ownership. This makes it easier for things to be done even in our absence (Interview, 26th April 2016, Tamale).

Another interviewee explained that:

When community members do not contribute either by material resources or personal involvement, they do not own the outcome of the end product. So, in terms of making people very accountable and responsible and also for ownership reasons, we involve the

community volunteers who participate in project implementation (Interview, 24th April 2016, Wa).

The involvement of community level structures in project implementation according to some NNGO staff was crucial in demonstrating their achievements and impact in the local communities. During interviews, some NNGO staff expressed the value of local ownership by arguing that it enhanced their credibility and legitimacy in the eyes of community members. In fact, many NNGO staff highlighted that the mobilisation of domestic resources had the potential of enhancing grassroots legitimacy which was crucial in helping them change negative perceptions that “many NNGOs are working for their donors” as one interviewee noted. Some interviewees further argued that NNGOs that involved community volunteers in project implementation were more likely to be responsive in addressing the needs of community members because of their constant interactions and engagements. Thus, by involving community volunteers, NNGOs representatives argued that this helped them to respond to the needs and priorities of their intended beneficiaries. This creates a sense of local by-in and ownership of programmes.

However, many key informants criticised the practice by NNGOs where the involvement of community volunteers only occurred at project implementation rather than decision-making in project planning and management processes. Thus, the involvement of community volunteers in decision-making processes such as planning and management was largely limited which demonstrates the difficulty faced by NNGOs in their attempt to implement downward accountability mechanisms. For instance, an informant expressed his disappointment of some NNGOs by arguing that they unilaterally set project ideas which demonstrates power imbalance between NNGOs and community volunteers:

They [community volunteers] don't influence decision making because they're not at the decision-making tables. The volunteers don't influence policies because they are developed at the top by those in NGOs' leadership rather than community members (Key informant, 14th April 2016, Accra).

Another interviewee added:

We say we are representing them [intended beneficiaries] but are they at the centre of our decision-making? I doubt! So that is why I am saying that it is important for NGOs to do some introspection in term of public participation in decision-making process (Interview, 7th December 2015, Tamale).

It was explained that the lack of involvement of community volunteers in decision making on project planning and management was due in part to the lack of requisite skills and training by community members as well as the increasing managerial accountability requirements which often undermined the ability of NNGOs to be flexible in their project planning and management. In addition,

although interviewees echoed the sentiment that Ghanaians had a high culture of volunteering their time to support the activities of NNGOs, they had to be motivated through financial and non-financial means as stated by an interviewee ‘now in terms of community volunteers, once we get funding, we give them kerosene, soaps and food items as a form of motivation’ (Interview, 24th May, 2016, Tamale). However, many NNGO staff argued that given the absence of core funding, maintaining volunteer commitment was a challenge. For instance, an Executive Director working on health and reproductive rights stated that “they don't understand why they must volunteer for free. There are some people who have family and financial issues and because of that they can't continue to volunteer with the organisation. So that is our main challenge, motivating the community volunteers’ (Interview, 5th April 2016, Accra).

### 5.1.2 | Individual donations

A section of interviewees explained that given the relatively easy access to external donor funding that NNGOs had enjoyed over the years, they did not make conscious efforts to tap into individual donations because they felt that mobilising donor funding was less burdensome. For example, one Executive Director stated that: “they [external donors] don't have strict conditions before they will give you money to implement projects. They are ever ready to support if your proposal fits their priority” (Interview, 1st December 2015, Wa). According to interviewees, mobilising individual donations was challenging due to high levels of poverty especially in Northern Ghana. One interviewee argued that: ‘because people are poor and are below the poverty line. So, these communities are too poor give something financially’ (Interview, 18th June 2018, Tamale). For this reason, when NNGOs organised funding raising programmes and events such as dinners and galas, many individuals who attended such programmes were more interested in the distributed souvenirs and food: “You organise a fundraising event and they think that it's about the food they're going to eat or drink. So, to them, it's just like a party you've organised [...] rather than a fund-raising event’ (Interview, 29th April 2016, Tamale).

The failure of some NNGOs to tap into individual donations is quite paradoxical given that in recent years, there had been an emergence of the middle class including high-net-worth individuals especially in urban Ghana. During interviews, three key informants indicated that although the availability of middle class provides a conducive environment for individual donations, many NNGOs were yet to tap into this potential resource for their activities. Notwithstanding these concerns, eight NNGOs staff reported that mobilising individual donations would enhance their autonomy and independence because of the flexibility associated with use of such donated resources. Some interviewees felt that there was a lot of flexibility in the use of individual donations compared donor funding. For instance, one Executive Director stated as follows:

‘Donors monitor your bank account and monthly, you have to give them the financial reports. Sometimes

they give you the funding and you're unable to do what you want because they are always on your neck. But for individual donations, they give you the money and whatever you do with the money to get the project implemented is up to you' (Interview, 29th May 2016, Accra).

Despite the flexibility associated with individual donations, a concern raised was that most Ghanaians had strong tendencies of supporting family members and the needy directly rather than channelling their resources through NNGOs. Thus, individual donors preferred informal rather than institutional giving because they had cultural and linguistic underpinnings such as reciprocity, solidarity, cooperation and mutuality. Moreover, a section of interviewees explained that the absence of a policy framework on domestic philanthropic negatively affected giving to NGOs. According to a representative of philanthropic institution, domestic philanthropy in Ghana was "an area where there is no policy framework so it doesn't give that enabling environment for people to give to NGOs." (Interview, 12th June 2016, Accra). Another interviewee argued that the 'lack of a legal framework has been one of the major reasons why giving is still low in Ghana [...] There should be some incentives for charity' (Interview, 16th May 2016, Accra).

In addition, it was explained that many NNGOs had been accused of not being accountable, credible and transparent in their use of donated resources. For this reason, there was a widely held perception among key informants that people only donated to perceived transparent NNGOs able to demonstrate that donated resources would be utilised judiciously to meet the needs of intended beneficiaries rather than NNGO leaders enriching themselves. This negative perception according to some NNGO staff created difficulties in mobilising individual donations:

NGOs' accountability has been towards the donors and they don't account to the people. So, people at the grassroots say these are organisations which go and get money from the donors and we don't know what they have been using it for. They drive the big cars and all that. So, people with that mind-set will not contribute their GH¢1 or GH ¢2 to you as an NGO (Interview, 21st January 2016, Accra).

## 5.2 | Commercial funding elements

### 5.2.1 | Commercial activities

Commercial funding models rely on the use of the market in generating social and financial returns. According to interviewees, commercial activities include social enterprises, subsidiary-based

enterprises and income generating activities. Almost all NNGO staff interviewed reported that they generated income from agricultural activities, vocational training, event organising, retail shopping, construction, tourism, transportation services and selling products (e.g., craft items, jewellery and ribbons) to the public. The increased emphasis on commercial activities was driven by uncertainty associated with external donor funding: 'it got to a point when it became difficult to get donor funding. So, we decided to engage in agriculture by cultivating about 5 acres of crops like maize, millet and guinea corn to support our organisation' (Interview, 25th April 2016, Tamale). The interview data indicates that NNGOs in the Northern and Upper West regions were more likely to engage in agricultural-based enterprises compared to those in the Greater Accra Region who mostly engaged in charity-retail shopping and consultancy services. This is a demonstration of how geographical location of NGOs influences their domestic resource opportunities (Table 3).

Interviewees pursuing commercial activities emphasised that it was useful in helping them reduce their financial volatility associated with donor funding. Although the amount of funding generated from donors was relatively bigger than commercial activities, its predictability remained questionable which in turn negatively affected their operational sustainability. However, by mobilising commercial activities, interviewees explained that they could have some certainty with the inflows, hence were able to expand their activities to other beneficiaries and also achieve their missions and goals:

Commercial activities will strengthen our vision, mission and goals and make us more sustainable. Social enterprise helps us in achieving every goal we've set for ourselves which is good for the beneficiaries of our programmes (Interview, 5th November 2015, Accra).

Another rationale for engaging in commercial activities was to ensure NNGOs autonomy and independence from donor funding since it mostly came with unattainable and undesirable conditions. Interviewees argued that making intended beneficiaries pay for their services instilled elements of autonomy and independence in ensuring that they became responsible in meeting their personal needs rather than relying on donor support.

While commercial activities presented opportunities for ensuring NNGOs' sustainability and autonomy, interviewees explained that they were not without risks. For instance, some interviewees argued that given the absence of regulatory policies for commercial activities such as social enterprises in Ghana, there was the potential for some NNGO leaders to prioritise their survival over the needs of beneficiaries. For example, a key informant asserted that: 'engaging in any commercial activity is a tricky one because of the likely abuses by some NGOs [...] My concern is how they can keep their discipline to ensure that they don't become profit oriented to the neglect of their social goals' (Interview, 23rd March 2016, Accra). Other concerns raised include inadequate leadership skills and capacity and lack of

TABLE 3 NGOs' commercial activities

Category of commercial activity	Specific examples of NGO commercialisation
Agriculture and agro processing	Soya bean production, cassava cultivation, bee-keeping, buying and hiring of farm inputs like tractors to farmers), compost making, stock piling of agricultural produce and selling them later on the market, rearing of livestock, establishment of shea butter and gari processing plant.
Construction	Construction of latrines for households, communities and organisations, small towns water systems, sanitation credit schemes, rainwater harvesting technology, urban waste and collection and management
Retailing	Sales of crafts, second-hand clothes and operating drinking spots, operating radio station and community information centre
Consultancy	Research, capacity-building trainings, writing funding proposals for other NGOs and private organisations
Event organising	Renting part of office space to other NGOs, corporate organisations and individuals for fee, organising cultural and drama troops
Volunteering	Charging fees and contributions from international volunteers
Microfinance and microcredit	Profits from village savings and loans associations, lending loans to groups and individuals for shea butter extraction, maize and rice cultivation
Social enterprises	Sachet water manufacturing company, establishment of early-child day care centre, poultry farming, investment in endowment funds, impact investment and social mutual funds
Secretarial services	Sales for publications and training manuals and organising capacity-building programmes (e.g., books-governance manuals, magazines, NGO reports), operating ICT centres, photocopy, lamination and fax.
Transport, tourism and vocational training	Operating tricycle business on market days, heavy-duty vehicle rental, provision of information on tourist sites and hosting tourists,  Beads and soap making, cook stoves, hairdressing, batik, tie and dye

Source: Author's fieldwork, 2016.

start-up capital. Particularly, it was reported that small and medium-sized NNGOs with limited organisational capacity had challenges securing consultancy assignments through competitive bidding process.

For this reason, the contribution of commercial activities including consultancy to NNGOs' annual budget was reported as minimal as stated by an interviewee: 'we are able to raise less than 10% of our annual budget from commercial activities [.....]so we depend largely on external donors although we are engaging in commercial activities' (Interview, 9th April 2016, Wa). Another factor that accounted for the small contribution of commercial activities to NNGOs' budget was that given the absence of start-up capital, interviewees reported that they mostly relied on reserves created from projects funded by donors in financing their commercial activities. Therefore, a change in donor funding directly affected the potential of commercial activities as explained by one Executive Director:

The internally generated funds are on a very small scale because it is from the donor projects that we get that we do some commercial investments. So, when the external donor funding is going down, it affects the internally generated funds because you can't do much investments (Interview, 26th April 2016, Tamale).

## 5.3 | Institutional funding elements

### 5.3.1 | Corporate philanthropy

An important alternative resource explored by a few NNGOs was their engagement with corporate philanthropy. Interviewees explained that many corporate organisations undertook corporate social responsibility (CSR) and therefore presented an avenue for them to tap into this domestic resource. A relatively few NNGOs reported benefiting from corporate support through product donations, but this was largely one-off. This was mainly for service delivery rather than advocacy-based NNGOs. This notwithstanding, interviewees reported that corporate philanthropy was ad hoc and relatively not well developed. Moreover, the relationship between NNGOs and corporate organisations was described as 'non-existent or at best weak'. Majority of NNGO staff and key informants felt that NNGO-corporate relations were not encouraging. This was partly because many corporate organisations were by nature profit-oriented and therefore more interested in promoting projects that enhanced their brands and market fortunes (Interview, 8th May 2016, Accra). In addition, some key informants argued that the inability of NNGOs to tap into corporate philanthropy was also informed by the absence of an enabling environment such as policy

and regulatory frameworks on taxes which encourage corporate giving to NNGOs. A recurrent theme during interviews was the difficulty involved in measuring corporate giving because of the lack of comprehensive data. For example, interviewees reported that donations by small and medium-scale enterprises were undocumented. Even for large corporate organisations, getting data on their CSR was a tough call. For this reason, the ability of NNGOs to mobilise corporate philanthropy depended largely on the extent of their personal connections. Therefore, the contributions of corporate organisations to the annual budgets of many NNGOs interviewed was reported to be less than 1%.

### 5.3.2 | Government funding

Interview data suggests that government funding for NNGOs in Ghana was limited.<sup>3</sup> Although NNGOs enjoyed a strong relationship with the government, majority of interviewees indicated that government did not allocate funds that specifically target NNGOs. This notwithstanding, some NNGOs collaborated with government agencies by acting as service delivery contractors. A typical example of a government agency mentioned by interviewees in the health sector was the Ghana AIDS Commission while their counterparts in the agriculture sector mentioned bidding for government contracts from the Ministry of Food and Agriculture in training farmers on effective agronomic practices and agricultural value chains. An Executive Director of an NNGO in the health sector recounted his experience:

Now there is another project we've already been selected but we're yet to sign the agreement with Ghana AIDS Commission. Ghana AIDS Commission has been our partners and we receive funding from them our projects (Interview, 6th May 2016, Accra).

However, interviewees raised the concern that given the perceived discrimination, favouritism and bias in the Ghanaian political arena, government funding would reinforce collusive behaviours where politically affiliated NNGOs would benefit as explained by one interviewee: 'all government funding is highly political. Any government institution that gives funding is political and it means you have gotten somebody [a big man] there who will give the command for you to get the funding' (Interview, 30th May 2016, Accra). A section of interviewees argued that getting government funding was often based on their personalised relations or 'whom you know' which sometimes resulted in discrimination in the funding application processes. More significantly, there were reported cases where some NNGO leaders have been co-opted by government officials and therefore have become their puppets. Informed by the fear of being

co-opted or tagged politically, some advocacy-based NNGOs argued that they were unwilling to accept government funding as stated by one interviewee: 'we don't want to be tied to the aprons of any particular political party because when you do that, you go out [collapse] with the government when a new party is in power' (Interview, 8th March 2016, Accra).

## 6 | DISCUSSION AND CONCLUSION

This article examines the strategies employed by NNGOs in Ghana in mobilising domestic resources to ensure their sustainability. The study is based on a qualitative case study of NNGOs in health, education and agriculture in the Northern, Upper West and Greater Accra regions of Ghana. The empirical findings are analysed using Edwards' (2013) idea of funding ecosystem. In doing so, it seeks to examine how far the empirical findings are consistent with, can be attributed to and explained by the framework.

This article has demonstrated that Ghana's transition to a lower-middle-income status and the subsequent decline in donor funding has resulted in the need for NGOs to seek domestic resources in ensuring their sustainability. The findings suggest that funding uncertainty in the operating environment of NGOs has led to the rejection of a single or 'best funding approach' which is mainly donor funding. As Edwards (2013) argues, most NGOs seem stuck to foreign donor funding despite their unhappiness with the funding system. For this reason, it makes no sense to claim that relying only on one approach to funding (i.e. donor funding) is appropriate for ensuring the sustainability of NGOs especially in contexts experiencing aid reduction (Appe, 2017; Arhin et al., 2018; Pallas & Nguyen, 2017; Wiggers, 2016).

Informed by this understanding, NGOs in Ghana have diversified their funding system by mobilising domestic resources such as volunteers, individual donations, corporate philanthropy, commercial activities and government funding. This demonstrates that different elements in the funding ecosystem are suited for different tasks in promoting social change. The findings therefore draw attention to the fact that while donor funding certainly have its role in promoting the work of NGOs to bring about social change, it is important not to exclude other funding approaches like domestic resource that are more suited to different elements of social change (Edwards, 2013, p. 5). In particular, this article highlights that volunteering being an important aspect of the democratic funding ecosystem promotes broad public participation in the activities of NGOs. The involvement of community volunteers in NGOs' activities has strengthened and enhanced their legitimacy and credibility in the eyes of community members. This is because engagements with community volunteers create opportunities for NGOs to respond to the needs and priorities of their intended beneficiaries which in turn helps them address concerns that they are the pawns of foreign powers and not rooted in their community. More significantly, interviewees averred that they were able to sustain their operations with the support of community volunteers even when donor project funds end. This helps in

<sup>3</sup> I define government funding as national budget allocations set aside to support NGOs. This does not include funding channelled through government by external donors which are given to NGOs through sub-contracting.

promoting the sustainability of their interventions in communities. As existing studies suggest, real or perceived dependence on foreign funding negatively affects the legitimacy and credibility of NGOs because they are accused of being distant from intended beneficiaries, elite-dominated and professionalised in nature (Banks et al., 2015; Pandya & Ron, 2017). As the study findings clearly indicate, mobilising democratic funding system such as volunteering and individual donations helps in building solidarity with the grassroots which also enhances the social legitimacy and credibility of NGOs. This finding chimes with work of previous scholars who argue that credibility is the building block of NGOs' sustainability (see Arhin et al., 2018; Hayman, 2016).

Edwards (2013) argues that democratic funding model is crucial for NGOs in building solidarity and promoting the agency of those excluded in decision-making because of its ability to give them control over the use of resources. Democratic funding therefore creates opportunities for curbing or curtailing the ability of those with power to exert their views on others. However, as empirical evidence demonstrates, the participation of community volunteers in project design and planning was largely limited. Even more crucial, the findings point to the fact that decision-making in relation to project design and planning were unilaterally set by NGOs without the involvement of community volunteers. This negatively affects the extent of NGOs' downward accountability. The findings therefore contradict Edwards' (2013) argument that democratic funding promotes downward accountability by giving power to those excluded in society. While such assertion might be true in other contexts, this cannot be said of Ghanaian NGOs. A plausible explanation for this is that many community members including volunteers of NGOs' interventions are not well educated to be able to demand for their inclusion in decision-making. Moreover, intended beneficiaries wield the shorter end of the power stick in NGO-donor relationships and therefore are usually neglected in decision-making processes (Andrews, 2014). The empirical findings therefore demonstrate practical implementation challenges of promoting downward accountability by NGOs in their attempt to mobilise domestic resources. In spite of NGOs' efforts to promote downward accountability, this study finds that this did not exist in any great depth mainly because the NGOs dominated the decision-making processes with regards to project design, planning and management.

Moreover, although the empirical findings suggest limited involvement of community volunteers in programming decisions, they were keen to working with NGOs due to a combination of motivating factors such as the desire to help community members, prestige, recognition and financial benefits they derived from such engagements. Thus, their motivations for volunteering involved altruistic values and self-interest factors such as the need to expand their professional development and secure employment opportunities. Informed by this, the inability of NGOs to motivate community volunteers through financial and non-financial means created retention and commitment challenges. This finding therefore corroborates the work of existing scholars on volunteer retention among NGOs (Akingbola, 2004; Butcher & Einolf, 2017).

The findings on NGOs' reliance on volunteers also point to how the absence of core funding associated with project-based funding negatively affects NGOs' human resource capacity and organisational sustainability as they are unable to sustain their staff (Elbers et al., 2014). The findings therefore demonstrate the significance of volunteering as a cost-reduction strategy employed by NGOs operating in contexts characterised by aid reduction. This helped them in compensating for shortfalls in paid staff caused by the absence of core funding (Akingbola, 2004). The empirical evidence further suggests that paid staff were not replaced outright with volunteers. Rather, volunteers complemented NGOs' human resources given their unpredictability. This finding contrasts Pallas and Nguyen (2017) who argue that given the reduction in donor funding for Vietnamese CSOs, many were replacing their paid staff with volunteer support. Similarly, Appe (2017) claims that increasing volunteers while downsizing paid staff could be a potential alternative for CSOs experiencing aid reduction. However, the empirical evidence clearly indicates that, it is impossible for NGOs to substitute paid staff with volunteers because of increasing emphasis on professionalisation and high volunteer turnover (Butcher & Einolf, 2017). This study therefore finds no evidence of interchangeability of paid staff with volunteers as reported elsewhere in the literature (Handy et al., 2008). It also highlights the ill-equipped nature of Edwards' (2013) framework in explaining volunteering as a cost-reduction strategy for NGOs in context experiencing aid reduction.

On the other hand, while commercialisation has received much attention in the literature (Ebrahim et al., 2014; Hailey & Salway, 2016), this study finds that in the Ghanaian context, engagement in commercial activities such as social enterprise among NGOs is a recent phenomenon. Therefore, the ability of commercial activities to promote NGOs' autonomy and independence remains relatively limited mainly because their contributions to NGOs' annual budget is negligible. Engagement in commercial activities is expected to grant NGOs some level of autonomy and independence, however, the empirical evidence suggests that they did not wean themselves off donor influence and control. This is a clear indication of some of the challenges associated with the transition from donor dependency to domestic resources especially in contexts where capacity is lacking. Successful commercial ventures for NGOs requires adequate professional capacity due to their extreme labour intensity. However, given that many NGOs lacked professional capacity, it did not allow them to generate adequate commercial revenues from social enterprise. The observations in this study are therefore confirmatory that professional capacity is a key prerequisite for NGOs' engagement in successful commercial ventures (Suykens et al., 2019).

Existing NGO commercialisation literature assumes that commercial revenue guarantees automatic independence and minimises threats to autonomy (Hailey & Salway, 2016; Khieng & Dahles, 2015). However, the empirical findings indicate that organisational autonomy arising from commercialisation depends on the level of their development and contributions to annual budget. More so, the lack of perceived independence and autonomy brought about by commercialisation demonstrates the challenges NGOs face in their attempt

to diversify and mobilise domestic resources especially in context of high donor dependency and under developed domestic philanthropic sector. The empirical findings on NGOs' engagement in commercial activities in this study challenge Edwards' (2013) claim that commercial elements in the funding ecosystem are important for financing economic institutions that create social value in society. However, as this study has clearly demonstrated, the practical application of the commercial funding model in promoting social value remains limited because NGOs are motivated to engage in social enterprise because of their own organisational and financial sustainability rather than the creation of social benefits for their intended beneficiaries. Interviewees maintained that NGOs face challenge in staying focus to their social mission and goals when they engage in commercial activities. This finding chimes with the work of previous scholars on how NGOs have become more market-driven to the neglect of their social value (see Ebrahim et al., 2014).

This article has further demonstrated that while corporate philanthropy is an important domestic resource, the lack of engagement and alignment of interests between corporate organisations and NGOs presents a major challenge. Even more crucially, the findings point to a number of salient issues that limit the ability of domestic resources to promote NGOs' sustainability. First, efforts by NGOs to tap into domestic resources like corporate philanthropy is hindered by the lack of an enabling environment that encourages domestic philanthropy. For instance, currently, a comprehensive legal framework for domestic philanthropy in Ghana is lacking and therefore does not create incentives for corporate organisations and individuals to donate to NGOs. According to the Income Tax Act 2015 (Act 896), for corporate organisations and individuals to claim tax deductions on their philanthropic acts, approval has to be given by the Commissioner General of the Ghana Revenue Authority. However, the implementation of the tax deduction processes has been a challenge although there are provisions for a 100% tax deductibility especially for horizontal philanthropic structures (i.e., informal giving mechanisms) who do not have the capacity to qualify for such exemptions or may not even know about these provisions (Moyo & Sowa, 2015). Especially for organisations and individuals who operate at the community level without access to technical expertise and legal services, these conditions are often onerous, hence serves as a disincentive for claiming tax deductibility. Second, the existing legal framework also does not permit NGOs and philanthropic institutions to engage in commercial activities as existing legislations have failed to respond to changes in the domestic philanthropic sector. For this reason, national policies on domestic philanthropy have lagged behind which does not help in increasing DRM for NGOs. Also, there is the lack of a legal framework specifically for impact investment and social enterprise which in turn affects domestic philanthropy. At the moment, although a social enterprise policy has been developed, it is yet to be implemented. Third, there is limited institutional data on philanthropy which also limits the ability of NGOs to mobilise domestic philanthropic resources (Kumi, 2019).

In conclusion, the findings highlight that while NGOs are mobilising domestic resources, their ability to promote financial sustainability in the short-term remains limited mainly because of the number of interlocking factors including capacity challenges, lack of transparency and accountability by NGOs and the absence of an enabling environment that promotes domestic philanthropy. The findings further suggest that despite this, domestic resources have the potential of enhancing the legitimacy and credibility of NGOs as the mobilisation of democratic funding models such as community volunteers and individual donations help them to respond to the needs and priorities of intended beneficiaries. In doing so, it created a sense of local buy-in and ownership on the part of intended beneficiaries which enhanced their sustainability of projects. However, the empirical evidence suggests that the ability of domestic resources to promote downward accountability was limited mainly because of the lack of involvement of community volunteers in decision-making on project design and planning. The findings also demonstrate how power asymmetries between NGOs and their beneficiaries hinder efforts to promote downward accountability in contexts experiencing aid reduction and donor exit.

## 7 | LIMITATIONS AND FURTHER RESEARCH

It is important to highlight the limitations of this study which can inform future studies. First, based on the qualitative research design, a sample of size of 32 NNGOs in three regions were purposively selected from a total number of 1952 NNGOs operating in Ghana. This represents a small proportion of NNGOs and therefore the observations highlighted in this study cannot be generalised. Further research is therefore needed in other country contexts experiencing aid reduction and donor exit to determine how NGOs mobilise domestic resources to promote their sustainability. Second, given the number of NNGOs involved in this study, it was difficult accounting for variations and commonalities in the strategies they used in mobilising domestic resources. For this reason, using an ethnographic approach with a fewer number of NNGOs would help in understanding issues not captured through the in-depth interviews because of its ability to provide insights into their daily activities. Third, while the use of Edwards' idea of funding ecosystem has offered some useful insights, the findings in this study show its limitations in holistically explaining DRM strategies among NGOs. For this reason, integrating Edwards' idea of funding ecosystem with other theoretical perspectives (e.g., resource dependency theory and Oliver's typology of strategic responses) will provide additional insights for future research. In particular, resource dependency theory could shed insights into revenue diversification strategies and power imbalance between NGOs and community volunteers while Oliver's typology could help in understanding the agency of NGOs in responding to uncertainty in their operating environment.

## ACKNOWLEDGEMENTS

This article has benefited from comments by Ann Swidler, David Lewis and other participants at the Critical Perspectives on NGOs in Development Conference organised by the Centre for Development and the Environment, University of Oslo. I am also grateful to Susan Appe and two anonymous reviewers for their critical comments. This research was funded by the University of Bath 50<sup>th</sup> Anniversary Excellence Studentships.

## POLICY/PRACTICE STATEMENT

Domestic resources mobilisation has the potential of enhancing the legitimacy of NGOs in countries experiencing aid reduction. However, for domestic resources to become a viable source of funding for promoting NGOs' sustainability, it requires the creation of an enabling environment that facilitates the growth of the local philanthropic sector.

## DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request.

## ORCID

Emmanuel Kumi  <https://orcid.org/0000-0001-8318-8499>

## REFERENCES

- AbouAssi, K. (2012). Hands in the pockets of mercurial donors: NGO response to shifting funding priorities. *Nonprofit and Voluntary Sector Quarterly*, 42(3), 584–602.
- AbouAssi, K. (2014). Get money get involved? NGO's reactions to donor funding and their potential involvement in the public policy processes. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 25(4), 968–990.
- Akingbola, K. (2004). Staffing, retention, and government funding: A case study. *Nonprofit Management and Leadership*, 14(4), 453–465.
- Andrews, A. (2014). Downward accountability in unequal alliances: Explaining NGO responses to Zapatista demands. *World Development*, 54, 99–113.
- Appe, S. (2017). Civil society organizations in a post-aid world: New trends and observations from the Andean Region. *Public Administration and Development*, 37(2), 122–135.
- Arhin, A. A., Kumi, E., & Adam, M. A. S. (2018). Facing the bullet? Non-Governmental Organisations' (NGOs') responses to the changing aid landscape in Ghana. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 29(2), 348–360.
- Banks, N., Hulme, D., & Edwards, M. (2015). NGOs, states, and donors revisited: Still too close for comfort? *World Development*, 66(1), 707–718.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101.
- Butcher, J., & Einolf, C. J. (Eds.). (2017). *Perspectives on volunteering: Voices from the South*. Springer International Publishing.
- Copstake, J. (2017). NGOs and civil society. SP30278: Development Finance. University of Bath. <https://moodle.bath.ac.uk/course/view.php?id=56069>
- Copstake, J., & O'Riordan, A. M. (2015). Challenge funds in international development: Definitions, variations and research directions. *Public Administration and Development*, 35(1), 1–18.
- Ebrahim, A., Battilana, J., & Mair, J. (2014). The governance of social enterprises: Mission drift and accountability challenges in hybrid organizations. *Research in Organizational Behavior*, 34, 81–100.
- Edwards, M. (2013). *Beauty and the beast. Can money ever foster social transformation?* The Hague: HIVOS knowledge programme. [www.hivos.net](http://www.hivos.net)
- Elbers, W., & Arts, B. (2011). Keeping body and soul together: Southern NGOs' strategic responses to donor constraints. *International Review of Administrative Sciences*, 77(4), 713–732.
- Elbers, W., Knippenberg, L., & Schulp, L. (2014). Trust or control? Private development cooperation at the crossroads. *Public Administration and Development*, 34(1), 1–13.
- Ghana Statistical Service (GSS). (2014). *Ghana Living Standard Survey 6: Poverty profile report*. <http://www.statsghana.gov.gh/glss6.html>
- Hailey, J., & Salway, M. (2016). New routes to CSO sustainability: The strategic shift to social enterprise and social investment. *Development in Practice*, 26(5), 580–591.
- Handy, F., Mook, L., & Quarter, J. (2008). The interchangeability of paid staff and volunteers in nonprofit organizations. *Nonprofit and Voluntary Sector Quarterly*, 37(1), 76–92.
- Hayman, R. (2016). Unpacking civil society sustainability: Looking back, broader, deeper, forward. *Development in Practice*, 26(5), 670–680.
- Hirschman, A. O. (1970). *Exit, voice, and loyalty: Responses to decline in firms, organizations, and states*. Harvard University Press.
- Hodgson, J., Pond, A. (2018). How community philanthropy shifts power: What donors can do to help make that happen. *Grant Craft Leadership Series*. Foundation Centre. <https://grantcraft.org/content/guides/how-community-philanthropy-shifts-power/>
- Khieng, S., & Dahles, H. (2015). Resource dependence and effects of funding diversification strategies among NGOs in Cambodia. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 26(4), 1412–1437.
- Kumi, E. (2017). *Diversify or die? The response of Ghanaian Non-Governmental Development Organisations (NGDOs) to a changing aid landscape [PhD Thesis]*. University of Bath.
- Kumi, E. (2019). Advancing the sustainable development goals: An analysis of the potential role of philanthropy in Ghana. *Journal of Asian and African Studies*, 54(7), 1084–1104.
- Kumi, E., & Hayman, R. (2019). *Analysing the relationship between domestic resource mobilisation and civic space: Results of a scoping study*. INTRAC.
- Mathie, A., Cameron, J., & Gibson, K. (2017). Asset-based and citizen-led development: Using a diffracted power lens to analyse the possibilities and challenges. *Progress in Development Studies*, 17(1), 54–66.
- Moyo, B., & Sowa, T. (2015). *Constructing a developmental and transformational philanthropy in Africa towards a new regulatory common sense*. African Grantmakers Network.
- NDPC, UNDP. (2015). *Ghana millennium development goals: 2015 report*. NDPC. <http://www.gh.undp.org/content/ghana/en/home/library/poverty/2015-ghana-millennium-development-goals-report.html>
- OECD. (2015). *Aid for CSOs*. <https://www.oecd.org/dac/peer-reviews/Aid%20for%20CSOs%20in%202013%20-%20Dec%202015.pdf>
- OECD. (2017). *Creditor reporting system*. <https://stats.oecd.org/Index.aspx?DataSetCode=CRS1>
- OECD. (2020). *Creditor reporting system*. <https://stats.oecd.org/Index.aspx?DataSetCode=CRS1>
- Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16(1), 145–179.
- Pallas, C., & Nguyen, L. (2017). Donor withdrawal and the future of civil society in Vietnam: Problems and solutions from the HIV/AIDS sector. *Development Policy Review*, 18(1), 131–151.
- Pandya, A., & Ron, J. (2017). Local resources for local rights? The Mumbai fundraiser's dilemma. *Journal of Human Rights*, 16(3), 370–387.
- Pfeffer, J., & Salancik, G. R. (2003). *The external control of organizations: A resource dependence perspective*. Stanford University Press.

- Pousadela, I. M., & Cruz, A. (2016). The sustainability of Latin American CSOs: Historical patterns and new funding sources. *Development in Practice*, 26(5), 606–618.
- Suykens, B., De Rynck, F., & Verschuere, B. (2019). Examining the influence of organizational characteristics on nonprofit commercialization. *Nonprofit Management and Leadership*, 30(2), 339–351.
- Watkins, S. C., Swidler, A., & Hannan, T. (2012). Outsourcing social transformation: Development NGOs as organizations. *Annual Review of Sociology*, 38, 285–315.
- Wiggers, R. (2016). Action for children: A model for stimulating local fundraising in low-and middle-income countries. *Development in Practice*, 26(5), 619–628.

## SUPPORTING INFORMATION

Additional supporting information may be found in the online version of the article at the publisher's website.

**How to cite this article:** Kumi, E. (2022). Domestic resource mobilisation strategies of national non-governmental organisations in Ghana. *Public Administration and Development*, 42(2), 109–127. <https://doi.org/10.1002/pad.1973>