BARRIERS TO AFRICAN CIVIL SOCIETY: BUILDING THE SECTOR’S CAPACITY AND POTENTIAL TO SCALE UP
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## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbreviations</td>
<td>04</td>
</tr>
<tr>
<td>Glossary</td>
<td>05</td>
</tr>
<tr>
<td>Introduction</td>
<td>06</td>
</tr>
<tr>
<td>Methodology</td>
<td>07</td>
</tr>
<tr>
<td>Barriers</td>
<td>08</td>
</tr>
<tr>
<td>International Barriers</td>
<td>09</td>
</tr>
<tr>
<td>National Barriers</td>
<td>11</td>
</tr>
<tr>
<td>Organisational Barriers</td>
<td>13</td>
</tr>
<tr>
<td><strong>A Future Framework of Engagement: Local NGOs and Development Partners</strong></td>
<td>17</td>
</tr>
<tr>
<td>▶ Donors-CSO Relations</td>
<td>20</td>
</tr>
<tr>
<td>Create a Balance between Core and Project Funding</td>
<td>20</td>
</tr>
<tr>
<td>Building Sustainability of Local CSOs</td>
<td>21</td>
</tr>
<tr>
<td>▶ Private Sector-CSO Relations</td>
<td>23</td>
</tr>
<tr>
<td>▶ CSOs and Philanthropy</td>
<td>24</td>
</tr>
<tr>
<td>▶ Accelerating Digital Transformation</td>
<td>27</td>
</tr>
<tr>
<td>▶ Leadership and Succession</td>
<td>28</td>
</tr>
<tr>
<td>Creating an Enabling Regulatory Environment</td>
<td>28</td>
</tr>
<tr>
<td>▶ Enabling Diverse Voices</td>
<td>29</td>
</tr>
<tr>
<td>Sources</td>
<td>30</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
</tr>
<tr>
<td>AFT</td>
<td>Aid for Trade</td>
</tr>
<tr>
<td>BUILD</td>
<td>Building Institutions and Networks</td>
</tr>
<tr>
<td>CBO</td>
<td>Community Based Organisation</td>
</tr>
<tr>
<td>CER</td>
<td>Centre for Environmental Rights</td>
</tr>
<tr>
<td>CSF</td>
<td>Civil Society Fund</td>
</tr>
<tr>
<td>CSOS</td>
<td>Civil Society Organisations</td>
</tr>
<tr>
<td>CSP</td>
<td>Charities and Societies Proclamation</td>
</tr>
<tr>
<td>CSR</td>
<td>Civil Society Regulation</td>
</tr>
<tr>
<td>CW</td>
<td>Corruption Watch</td>
</tr>
<tr>
<td>DAG</td>
<td>Development Assistance Group</td>
</tr>
<tr>
<td>DSD</td>
<td>Department of Social Development</td>
</tr>
<tr>
<td>ECSA</td>
<td>Ethiopian Charities and Societies Agency</td>
</tr>
<tr>
<td>FCDO</td>
<td>Foreign, Commonwealth and Development Office</td>
</tr>
<tr>
<td>GFCF</td>
<td>Global Fund for Community Foundations</td>
</tr>
<tr>
<td>ICNL</td>
<td>International Centre for Non-Profit Law</td>
</tr>
<tr>
<td>ICTS</td>
<td>Information and Communication Technologies</td>
</tr>
<tr>
<td>INGOS</td>
<td>International NGOs</td>
</tr>
<tr>
<td>ISODEC</td>
<td>Integrated Social Development Centre</td>
</tr>
<tr>
<td>HNWIS</td>
<td>High Net-Worth Individuals</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>JES</td>
<td>Jet Education Services</td>
</tr>
<tr>
<td>LGBTI</td>
<td>Lesbians, Gays, Bi-sexual, Transgender and Intersex</td>
</tr>
<tr>
<td>LNGOS</td>
<td>Local NGOs</td>
</tr>
<tr>
<td>NDC</td>
<td>National Democratic Congress</td>
</tr>
<tr>
<td>NGOS</td>
<td>Non-Governmental Organisations</td>
</tr>
<tr>
<td>NPP</td>
<td>National Patriotic Party</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>OSIWA</td>
<td>Open Society Initiative for West Africa</td>
</tr>
<tr>
<td>PBO</td>
<td>Public Benefit Organisation</td>
</tr>
<tr>
<td>RGD</td>
<td>Registrar General Department</td>
</tr>
<tr>
<td>SCUML</td>
<td>Special Control Unit against Money Laundering</td>
</tr>
<tr>
<td>STAR-GHANA</td>
<td>Strengthening, Transparency, Accountability and Responsiveness-Ghana</td>
</tr>
<tr>
<td>TCOE</td>
<td>Trust for Community Outreach and Education</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>WWF</td>
<td>World Wide Fund</td>
</tr>
<tr>
<td><strong>GLOSSARY</strong></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>
| **BILATERAL AID**  
Assistance that is provided by one government to a government of another country. |
| **GLOBAL NORTH**  
The richest and most industrialised countries, mainly located in the Northern Hemisphere. |
| **MULTILATERAL AID**  
Assistance given by governments to international organisations such as the World Bank and the International Monetary Fund to reduce poverty in poor countries. |
| **CORE COSTS**  
Overhead costs of an organisation, as opposed to specific project costs. |
| **GLOBAL SOUTH**  
Less economically developed countries, mainly located in the Southern Hemisphere. |
| **PROJECT COSTS**  
Money required to implement and complete a project. |
| **INSTITUTIONAL SUPPORT**  
At times used interchangeably as core costs, but usually refers to a functional expense for the day-to-day operational functions of an organisation. |
| **LOCAL CAPACITY**  
The ability to implement programmes through strong operational, systemic and governance structures at a local level. |
| **RE-GRANTING**  
The act of acquiring a larger grant and using the funds from that grant to create, manage and finance smaller grants. |
The colonial mindset in international development and aid underpins current donor preferences, languages and behaviours. This unreasonable and unhelpful approach by donors is often deliberately designed to make African countries and their institutions forever dependent on international donors. To understand the complexities surrounding issues in international development, we must take a look at the flow of aid resources.

Structurally, international development funding arrangements favour Western intermediary organisations at the expense of local African civil society organisations (CSOs), in particular non-governmental organisations (NGOs). Considering that only a portion of philanthropic and donor aid reaches African organisations, this becomes an important area of enquiry and advocacy. Most of the donor resources go to intermediary Northern-based NGOs. This is by design. Some respondents we spoke to estimate that ‘only 50% of bilateral aid makes it to Africa’. ¹

According to the Foundation Centre (now Candid) and the African Grant Makers’ Affinity Group (AGAG), US foundation funding to Africa jumped more than 400% from $288.8 million in 2002 to nearly $1.5 billion in 2012. Most of this funding, however, went to organisations headquartered outside Africa. ² This funding was directed towards large international NGOs for direct delivery and as channels of funds to smaller ‘partner’ groups. This approach by informal and smaller organisations has failed to secure the resources needed to sustain their work. ³ Consequently, the share of funding for organisations based in Africa declined during this period. ⁴

This context is at the heart of this report, which investigates barriers to African civil society, particularly those that limit the sector’s capacity building and activity scaling. These barriers hinder the effectiveness of CSOs. Three interrelated dimensions shape these barriers, which can be classified under international, national and organisational factors.

In summary, these barriers relate to (i) constraining funding approaches and complex donor languages; (ii) lack of trust and various negative perceptions about local CSOs; (iii) weak governance and leadership systems among local CSOs; (iv) restrictive regulatory and policy environments for local CSOs that have been put in place by various governments in Africa; (v) the failure by local CSOs to adapt to fluid contexts and their lack of agile systems; and (vi) power dynamics that flourish as a result of the localisation and domestication of international NGOs (INGOs) in Africa. As the main report demonstrates, these barriers are not mutually exclusive but rather they are interrelated, and at times, interdependent.
To address these barriers, the report provides a framework for engagement among different stakeholders to strengthen the capacities of civil society in Africa. This framework includes a reimagination of donor-CSO relations and the decolonisation and de-racialisation of philanthropy. It also includes a reimagination of a radical modernisation of processes and structures of various CSOs, donor processes, and business models. Furthermore, the report calls for a more prominent role by local philanthropies, universities and think tanks (research institutions) and the business sector in producing strong and effective leaders to strengthen the capacity of CSOs and their ability to scale up. The COVID-19 pandemic provided a moment for reflection and raised the need to leverage technology, restructure power relations, simplify funding systems and build resilient institutions.

This report summarises the main barriers and focuses on key recommendations applicable to addressing the challenges facing the civil society sector. Case studies are used to provide the necessary context for several points made in the report.

**METHODOLOGY**

Given the broad literature on civil society, donor aid, philanthropy, and capacity building, we conducted a literature review.

This review was beneficial in shaping the rest of our study. We also carried out semi-structured interviews with 56 respondents that included executive directors, country representatives for INGOs, and programme managers from five African countries: Ethiopia, Ghana, Kenya, Nigeria and South Africa. In addition, we gathered survey responses from 37 organisations from these five countries and utilised case studies to deepen our understanding of country contexts and organisational experiences. Finally, the findings were validated at a workshop, where further insights were given that strengthened the study.
CSOs play pivotal roles in enabling people to claim their rights, advance rights-based approaches, shape and develop policies, form partnerships, and administer their implementation.

They also provide services in areas that are complementary to governments and the private sector, but they are limited by international, national and organisational barriers. 5
There are numerous international barriers to CSOs in Africa. These primarily consist of the racialised and colonial nature of funding, donor preferences and choices, complex donor systems, requirements, and language and reporting mechanisms. As a result, the report concludes that donors prefer funding INGOs because they are professionalised, urban, and have the required skills, credibility and resources to deal with donors’ architecture. In addition, INGOs understand ‘donor jargon’, including accountability and the reporting requirements that are seen to ensure value for money and project effectiveness. It is also convenient for Northern donors to fund Northern organisations working on African issues rather than local African organisations.

This raises questions of colonial configurations in the structuring of funding, which makes it harder for local CSOs, especially the small and medium-sized ones, to access donor funding directly. Informed by this, many local groups form consortia with established CSOs to access larger grants and increase their own organisational visibility and legitimacy. Others have resorted to exploring domestic sources to finance their activities.

In addition, donors have preferences for the sectors that they support and often areas such as capacity building, skills development and sustainability are not prioritised. In fact, the majority of donors prefer project-based funding as opposed to providing core support. Very few donors fund the core activities of an organisation. The need to diversify funding sources is urgent, and our study demonstrates how some NGOs and CSOs have begun seeking funds from diverse sources that include African foundations, high net-worth individuals (HNWIs), corporate funding (mainly corporate social responsibility), income generation activities and collaborations. This prevents donor dependency for several local groups, which is a widespread issue globally for CSOs. Over 90% of African CSOs are largely dependent on foreign donor funding, a worrying trend. This is a dominant phenomenon throughout Africa, and particularly in the five countries studied. For example, respondents who were asked to give their opinion of the current funding trends in Nigeria argued that they reflect the North-South divide, with the United States being the highest provider of official development assistance.

The localisation and domestication of INGOs in most African cities, through directly moving headquarters to Africa and registering as local organisations, has led to the further weakening of local groups. At times, the language of shifting power to the South is used in this process of trans-localisation. Yet, in reality, no power ever shifts to local groups. The now-localised NGOs retain the same advantages over local NGOs, including their familiarity with funders. In the end, they maintain their prime position in the funding hierarchy. In addition, these trans-localised INGOs recruit the best talent from local organisations, weakening local CSOs.

Over 90% of African CSOs are largely dependent on foreign donor funding, a worrying trend.
At the end of the day, intermediaries, regardless of where they are located, have the access and privilege... this contributes to the povertisation of indigenous African organisations because it’s not just about the money, it is about the networks. What does it mean that your office in London can walk to FCDO and have a cup of tea while an African indigenous office cannot do that?"  

The collaborations and assistance given to local groups by INGOs ultimately results in the weakening of local groups, firstly because they cannot compete with their INGO counterparts for resources, and secondly, local groups lose staff to INGOs.
In addition to international barriers, local CSOs are confronted by several factors within their own jurisdictions, including the regulatory environment under which they operate. There are tight regulations and policies for civil society in most African countries, and tensions between governments and civil society are rising. Chaplowe and Engo-Tjega observe that African CSOs operate under tricky conditions with host governments. A number of African governments have been accused of weaponising laws and legal instruments through constitutional amendments, acts of parliament, and other forms of legislation to stifle and limit the legitimacy, effectiveness and sustainability of civil society, especially those groups that are perceived to be critical of the government.

In countries such as Ghana and South Africa, the regulatory environment is viewed as more favourable. A respondent in Ghana said:

“Currently in Ghana, the legal environment is still fairly workable. All CSOs are registered as Companies Limited by Guarantee and if you want to work as an NGO, you will have to register under the Department of Social Welfare.”

South Africa has the most progressive law regulating civil society on the continent. The law is a product of consultative processes between the government and civil society in the post-apartheid period. Generally, there is space for civil society to operate freely despite random attacks on the sector by government officials and the African National Congress (ANC).

These emerging trends confirm what Moyo observed: that African governments passed authoritarian laws to strictly regulate individuals and organisations in public spaces. The “tendency to adopt heavy-handed tactics against those who attempted to exercise their rights to assembly, association and expression, is an indication of what could happen if there were no checks and balances in place”. Even in countries with ‘friendly’ NGO legislation like South Africa, governments find ways of subtly suppressing and controlling CSOs.
ActionAid Ethiopia: a local CSO empowering those in poverty

ActionAid Ethiopia (AAE) was established in 1989, to help achieve gender equality, social and economic justice, good governance, and support the eradication of poverty. AAE works to build the capacity and fulfil the rights of people who have been excluded from society. The organisation applies a Human Rights-Based Approach (HRBA) in its programming and seeks to ensure a fundamental power shift, by strengthening and empowering communities to actively engage with policy makers and drive change.

AAE’s activities include women’s rights programmes, unpaid care work, the pursuit of climate and economic justice, and enabling resilient livelihoods.

As a result of their activities, AAE has successfully empowered more than 113,000 people living in poverty, especially women and girls, thanks to a total investment of around 105 million Ethiopian Birr (£2.5 million) in integrated interventions during 2019 alone.

Women’s Watch Groups established by the organisation have also helped to prevent more than 50 arranged child marriages and over 2,000 female-headed households living in poverty find decent income generating activities. At the height of the COVID-19 pandemic in 2020, AAE provided humanitarian support with $500,000 in donations to 18,000 people in Raya Azebo Woreda operational area, providing emergency food assistance, as well as livelihood recovery and protection.

A spokesperson for Action Aid Ethiopia, commented: “We have provided several different forms of support to the majority of the areas we work in, which has helped deepen and expand our reach with the communities we serve”.

Despite these impressive results, AAE continues to face two main challenges, the first being funding and the second being rigid, restrictive local laws.

Since 2020, the organisation has seen their funding decrease because of the constrained finances of the global ActionAid Federation. Ethiopia’s laws controlling the activities of CSOs over the past decade have also limited AAEs ability to scale up activities.
Beyond national and international barriers, several internal organisational factors hinder the development of CSO capacity and their efforts to scale up operations and activities. These include their capacity to absorb resources (absorptive capacity), weaknesses in governance and leadership structures and mechanisms, a lack of highly skilled personnel, weak infrastructure, and lack of trust, accountability and transparency. Following the outbreak of COVID-19, many CSOs were challenged to adapt to technological solutions and, due to poor investment in digital systems, were found wanting.

The evidence gathered from this study suggests that in recent years, there have been efforts by some external and local donors, such as private foundations and multi-bilateral donor agencies, to build the capacity of CSOs in Africa. In Ghana, for example, the Open Society Initiative for West Africa (OSIWA) was established to focus on building the capacity of CSOs in West Africa. Other donors have also built capacity strengthening into their grant offerings. They have focused their investments on capacity issues in relation to (organisational) resilience, leadership, succession planning, and advocacy. One international foundation’s Building Institutions and Networks (BUILD) programme (created by the Ford Foundation), has an investment of US$1 billion and is aimed at building the long-term capacity, resilience, effectiveness and sustainability of CSOs in the Global South. In Ghana, CSOs such as Third World Network, West Africa Civil Society Institute (WACSI), and the African Women’s Development Fund have benefited from the BUILD programme.15 In addition, INGOs such as Oxfam International, ActionAid and World Vision International have also been providing capacity-building programmes for their partners.16

The main areas respondents cited as pressing are: resource constraints, weak internal systems, failure to access big grants, weak governance systems and processes, and technical issues such as proposal writing. The misalignment between donor interests and the beneficiary needs was also raised several times in our interviews. This is captured strongly by one of the organisations interviewed in Nigeria:

“Donors’ priorities and thematic focus are often not in line with the major challenges and priorities of beneficiaries. Although some donors could allow for the review of strategy to meet the particular needs of people, where this is not taken into cognisance, it undermines CSO’s abilities to maximise project outcomes.”17
In addition, several organisations identified staff retention as one of their biggest challenges. The failure to retain staff leads to the loss of key skills and institutional memory in an organisation. CSOs felt the need for an institutional approach to building their capacity rather than an individual one, given that more often staff are trained by an organisation only to be poached by another. An assessment of capacities among Kenyan CSOs indicated that while the sector has developed capacities and competencies, structural and external challenges remain. These include underlying factors associated with dysfunctional boards, internal monitoring and evaluation structures, and the disconnect between the NGOs and the communities they serve. 18

The leader of a network organisation queried the idea of weak capacities among CSOs. When we asked them about capacity, they asked, “Capacity to do what?” They suggested that “it is probably time to redefine capacity from a local perspective, using metrics such as being relevant, recognised by communities, and responsive to local needs” instead of managerial capacity focused on accountability measures introduced by donors. 19 She argued that current funding arrangements are informed by a lack of trust between donors and grantees, explained by the amounts spent by grantees on audits and other compliance processes.

Capacity should instead focus on understanding that development is more than the delivery of money; rather, it includes the broader establishment of work streams, which require significant amounts of time and effort to build a collaborative platform. Many respondents agreed that discussions and approaches to capacity building have mostly focused on creating managerial efficiencies rather than broader issues that affect impact achievement. The following quotations by CSO representatives sum up their understanding of capacity building:

“In a broad sense, capacity building is about how we work towards the sustainability of CSOs. This specifically looks at what sort of resources we are putting in place so that they can pursue their ambition and goals now and in the future.” 20

“Capacity building is about working with or holistically supporting CSOs in the different domains of capacity. So how do you support organisational change processes that help enhance the different capacities, competencies, functions and skills that, when taken together, will contribute to strengthening the overall capacity of the organisation?” 21

As stated, issues of governance and leadership remain problematic for the sector due to several factors. In addition to issues raised already around funding and capacity weaknesses, CSOs often experience “Founder’s Syndrome”. Common amongst many African CSOs, Founder’s Syndrome has led many groups to collapse. The Syndrome takes many forms but essentially refers to CSO founders’ insufficient mentoring of new leaders, leading to long service and no replacement on their departure. 22 Where the founder is replaced, letting go becomes a problem that manifests in a failed transition. And where founders are willing to leave, there is often no infrastructure to facilitate their exit, leading to fears of leaving their organisations in a mess. Experiences in using leadership to scale up are best illustrated by the story of Shining Hope for Communities (SHOFCO).
Finally, another internal barrier for CSOs within the context of COVID-19 has been the lack of technological investment in their digital platforms. This made adapting to new ways of working difficult for most organisations. Adaptability is essential for the continued survival and relevance of local NGOs in Africa, especially in the unpredictable, dynamic, and ever-changing 21st century. In this context, NGOs’ adaptability refers to their “ability to change and adjust to managing sudden challenges”. For local NGOs to adapt in today’s society and keep pace with the times, there are critical success factors to consider: embracing technology, enhancing diversity and equity within the organisation, internationalisation, a forward-looking ethos, thought leadership, strong organisational culture, and a focus on societal and cultural changes.

In the countries studied, some CSOs and NGOs made use of technological and collaborative tools to respond to their challenges. Ethiopian CSOs used social media platforms (Facebook, Twitter and WhatsApp) and other multimedia like podcasts to raise awareness and fundraise. Technological tools that improve the effectiveness of the work of CSOs are on the rise. CSOs are becoming increasingly technologically inclined, leveraging digital media to execute their organisation’s missions. In Ghana, technological advancements in recent decades have revolutionised virtually every aspect of society, including the role of CSOs. Technology has allowed significant promotion of CSO work in democratic development by giving a voice to the voiceless, widening public participation, and enhancing networking and alliance building. The majority of CSOs in Ghana rely on technology to undertake their work, access information quickly, and communicate effectively.

Technological tools present opportunities for CSOs to enhance their work. Technology has also helped CSOs to reach out to partners for funding opportunities and project implementation, search for potential donors for emergency funding for special projects, and increase organisational visibility. More importantly, for some organisations, technology has helped them undertake training programmes for their staff and intended beneficiaries during the COVID-19 pandemic. Still, many CSOs do not have the basic capacity, equipment, software, knowledge and/or skills to use this technology for their work. Some CSOs have a poor understanding of technological features like data security, which makes them vulnerable to cyber-attacks. In addition, the technology infrastructure of many CSOs has not been developed adequately, especially in relation to data security and underutilisation of the data gathered. The technological challenges faced by small and medium-size CSOs have been intensified by COVID-19.
Leadership, Effectiveness, Accountability and Professionalism (LEAP) Africa: leveraging technology for greater impact

LEAP Africa is an NGO founded in Nigeria in 2002. The organisation’s primary aim is addressing the crisis of leadership in Africa by equipping young people with the skills needed to nurture dynamic, ethical leaders and entrepreneurs. It also commissions research projects and publishes helpful follow up content such as toolkits and guides.

The organisation has successfully built its reputation as one of Nigeria’s best performing NGOs, working in more than 26 states throughout the country, as well as having a visible footprint in five other African nations.

The organisation credits much of this recent success to an ICT upgrade – specifically a migration of their internal systems to ORACLE NetSuite systems. This boosted effectiveness, scalability, and extended organisational capacity by enabling the automation of multiple back-office processes across HR, procurement, administration, accounting and accelerated reporting. This helped the organisation become more resilient, especially during the COVID-19 global pandemic.

Strong, dedicated staff have been a key strength of LEAP Africa, and in 2020, LEAP introduced increased staff benefits to ensure staff are properly remunerated and incentivised.

However, an unintended consequence of LEAP having such well-trained and high performing staff is that they get poached by INGOs.

A senior manager at LEAP, commented: “We indigenised organisations, we don’t have the talent of the private sector, but we have to attract talent. It is also a challenge that some partners are purely focused on supporting their project, and not the broader sustainability of our organisation.”

The inflexibility of local partners and their limited ability to negotiate project scopes with local donors, are identified as additional barriers, as are the very strict reporting expectations from local partners (even for smaller grants compared to those available from international partners).

Lastly, the lack of a culture of trust within Nigeria’s CSO ecosystem further constrains vital collaboration between local organisations and the private sector.

LEAP Africa is working in more than 26 states throughout Nigeria, as well as having a visible footprint in five other African nations.
A FUTURE FRAMEWORK OF ENGAGEMENT
CSOs in Africa are dynamic and diverse. Too often, donors mistakenly believe that African CSOs operate in the same manner and environment. Due to restrictive government laws, some CSOs are facing increasing difficulty accessing or spending the required resources. They face challenges such as a repressive and violent environment, a lack of specialised capacity, and poor infrastructure and working conditions - all without simple assets such as computers or internet connectivity. These challenges are hardly addressed or acknowledged by some donors. It is unsurprising that even though CSOs might have project funding, they still cannot consolidate their results, grow, and become more sustainable. Without core (non-project related) support, it is impossible to build their capacity. The lack of funding for core costs also prevents CSOs from innovating and working autonomously or with self-determination and flexibility. The lack of core funding limits the development of specialised capacities in African CSOs and leads to huge staff turnover. Specialised capacities are often required to obtain grants and resources.

Changing donor funding priorities and the absence of core funding negatively affect efforts to build CSO institutional capacity. This report highlights the leadership succession and transition challenges African CSOs face. Most often, these challenges are due to Founder’s Syndrome and the intermingling of CSOs’ governance structures and family affairs. In addition, while CSOs have been applauded for ensuring state accountability and transparency, this study shows a lack of transparency in CSOs’ financial governance and accountability. Furthermore, the regulatory frameworks for civil society have had a consequential impact on their capacity of CSOs. Despite these constraints, there have been adaptive and innovative responses from CSOs to the disruptive changes in their operating environment. Despite the environmental challenges, CSOs have used their agency and strategic agility to respond to uncertainty.

A key barrier for scaling the capacity of CSOs is their lack of leadership and governance capacity. Founder’s Syndrome is a key reason for this due to overreliance on the founder. Such leaders, instead of stimulating growth, fall into imitating particular managerial and governance practices to meet donor requirements. A need has emerged to build the leadership capacity of CSOs, given that the sector is seriously lacking this vital capacity.

The flow of resources and the coloniality of power relationships in international development are also critical factors; very few organisations are accessing resources from local philanthropists and corporates. This structure of funding gives power to international organisations and donors who are more often an extension of former colonial countries. Most of the Anglophone donors end up operating in Anglophone countries in Africa, while the French operate in the Francophone countries. Neo-colonial relations are still widespread and, at times, these characterise relations in the funding environment. It is for this reason that donors ought to be sensitive to Africa’s past, and local groups also need to find ways to build their sustainability and disentangle themselves from overdependency on international donors.

The impact of COVID-19 has worsened inequalities, even within civil society. A significant number of groups have had to downsize, while others have closed down. In some instances, project grants that had been committed to organisations did not materialise as funds were reallocated to support the COVID-19 response.
THE TOP CHALLENGES FOR AFRICAN CSOs INCLUDE:

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<th>Challenge</th>
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<tr>
<td>1</td>
<td>Dependence on foreign donor funding</td>
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<tr>
<td>2</td>
<td>Weak governance and management systems, including a lack of human resource frameworks</td>
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<td>3</td>
<td>Repressive regulatory frameworks</td>
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<td>4</td>
<td>Inadequate transparency and trust</td>
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<tr>
<td>5</td>
<td>Weak technological infrastructures</td>
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<td>6</td>
<td>The domestication of INGOs in Africa</td>
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These and other barriers ultimately threaten civil society’s legitimacy, autonomy and performance. The current situation has further implications on the sector’s ability to build capacity and scale up their human, technical and material resources. The challenge around repressive and restrictive environments has huge effects on the capability of CSOs to adapt to changing environments and global shocks. Repressive and restrictive environments also affect CSOs in dimensions such as trust, competency, effectiveness, and leadership.

To address these barriers and build civil society’s capacity and scale, the recommended framework of engagement is detailed on the following pages.
Donors, mainly from Europe and America, exercise a lot of power and resources, often easily overwhelming local organisations. Northern donors must reimagine their grant-making, rigorous guidelines and procedures, organisational norms, and management systems to facilitate a level playing field for local CSOs. Donors should be more flexible, innovative and mindful of Southern contextual differences and unexpected developments. In reimagining approaches, the following principles should apply.

01.1 Create a Balance between Core and Project Funding
The majority view in our study was that existing approaches to funding are neither sustainable nor transformational. Instead, they create dependency. One of the respondents referred to this as ‘drip-feeding’, giving an entity only what is perceived necessary for that month. In the process, NGOs are not given sufficient room to develop long-term strategies, invest in non-programme critical issues such as securing resources, or improve their own financial management systems. Also, this means that not enough room is created for these CSOs to think long-term. Donors need to support the following areas as part of their core support:

- Strategic clarity and consistency: given to organisations to clearly define their mission, strategic goals and plans.
- Effectiveness and efficiency: geared towards enhancing capabilities such as leadership, governance, financial systems and legal support, among others.
- Resilience: geared towards assisting organisational agility, risk-taking and security if plans fail, and helping organisations build financial sustainability through reserves.
- Growth and sustainability: supporting impact generation.

Donors should also consider increasing grant sizes, supporting long-term projects, and providing core support to African CSOs. Most problems that donors tackle are long-term and require grounding in local realities, sustainable solutions, and resilience. Local CSOs have local knowledge and usually stay longer in a community, even when conditions are difficult.

Donors should take an interest in the long-term sustainability of NGOs before asking them to implement projects that advance their own strategic goals. Donors, including INGOs, should make deliberate efforts to relinquish power by reconfiguring their partnerships with local NGOs. In doing so, they must shift the power from the Global North to the South by recognising local NGOs as actors with knowledge and expertise rather than mere project implementors or sub-contractors.
Building the Sustainability of Local CSOs

In addition to giving larger grants and providing core support, donors must make conscious efforts to strengthen the capacities of CSOs. This calls for changes in donor funding strategies from project-based funding to core funding, with a specific focus on strengthening CSO governance structures and addressing their sustainability. Funding for capacity building should shift attention from conventional training to a focus on issues of personnel and organisational capacity management, partnership building, and strategic planning and development. The provision of capacity-building initiatives must take a holistic and comprehensive approach through flexible funding (e.g. 25% of grant funding towards administrative fees to CSOs), use of assessment tools (i.e. organisational mapping tools), and focus on capacity strengthening, peer learning and rigorous evaluation.

CSOs and donors need to work together to improve CSO governance structures to ensure accountability, transparency, and effective organisational culture. This can be done through training, coaching, and mentoring in leadership. This also requires CSO leadership to become responsive in ensuring that they remain transparent and accountable to their beneficiaries. Donors should be willing to lower their expectations and funding conditions to create opportunities for CSOs to focus on downward accountability, as opposed to the current trend of upward accountability. Sustainability is created through both forms of accountability.

Donors should also have an appreciation and understanding of the strategic vision and specific needs of CSOs. This requires donors to build the capacity of CSOs and discontinue the use of one-size-fits-all approaches. Rather, donors must give CSOs room for self-assessment. Doing so will provide tailor-made or specific capacity-building initiatives that go beyond project implementation towards building resilient and sustainable organisations able to survive in the absence of donor support.

In addition, there is a need for collaboration between donors providing capacity building for CSOs. Effective collaboration between donors would help to reduce the duplication of efforts that have characterised most capacity-building initiatives for CSOs.

African CSOs should also build their sustainability by mobilising resources locally and adopting innovative methods of income generation. Some local CSOs have pivoted to new methods and have begun the journey towards building their sustainability. In Egypt, the Gozour Foundation for Development, which supports poor communities, receives funding from banks (Barclays and Commercial International Bank). In Ghana, WACSI has ventured to alternative sources of income through a variety of approaches that include providing consultancy services, conferencing facilities, interpretation services, training, and business development. In South Africa, several groups like the Southern Africa Trust and Kagiso Trust have created profit-making arms to generate income. Others have resorted to membership fees and business development activities.
West Africa Civil Society Institute (WACSI): building CSO sustainability

The West Africa Civil Society Institute (WACSI) was established by the Open Society Initiative for West Africa (OSIWA) and became operational in July 2007. Their mission is to strengthen the core and operational capacities of civil society in the West African sub-region, through programmes for increased, effective policy engagement as well as the promotion of development, good governance, and democratic values.

The organisation’s programmes focus on improving the performance of CSOs, with the aim of strengthening their legitimacy, transparency, and accountability. WACSI also advocates for donors to support greater CSO capacity through the provision of core funding.

The organisation has moved towards providing a more holistic training approach which incorporates coaching, mentoring and peer learning, as well as focusing on how to build sustainable CSO identities, operations, and finances. WACSI has also trained CSOs on how to better mobilise domestic resources, as part of efforts to strengthen local philanthropy in West Africa. Lastly, WACSI has also built the technological capacities of CSOs by working in partnership with TechSoup to provide them with subsidised computer software and hardware.

Despite these successes, multiple challenges remain.

WACSI leadership reports that it is still difficult to build CSO organisations that can sustain themselves beyond current project cycles. This is because many donors are not interested in investing in building broader operational capacities of local CSOs, in ways that are not directly related to the donor’s own projects.

This is why so many capacity building initiatives are tied to specific projects, rather than deliberately trying to strengthen the CSOs core capacities as an end in itself.

A WACSI senior manager commented: “Despite its value - capacity building is considered as an add-on. Most donors do not see it as core to their projects”.

Summary Report 22
What role can the private sector play in building CSO capacity or scale? For several people who were interviewed, the private sector must have the courage to pursue and support “controversial issues because they speak to a vision of the country we want to live in.” The private sector also needs to think innovatively instead of approaching funding from the same perspective as traditional donors, who often constrain NGOs in their operations. With this private sector-CSO relationship, there is also a need to ensure mutual accountability.

The attraction of local resources contributes to increasing legitimacy and undoing the ‘foreign sponsorship’ tag, which has been used unfairly by governments against social movements and NGOs. According to a respondent:

“African funders are coming very late to the party and they need to have a conversation with NGOs that have been grappling with issues over a long time. In the majority of cases, African funders do not seem to recognise African NGOs as a natural ally.”

The private sector and local CSOs currently do not have a strong relationship, except for corporations in the oil sector (especially in Nigeria) that engage NGOs to facilitate their corporate social responsibility. Even in this context, unequal power balances exist. The private sector is yet to transition its relationship with NGOs to a partnership; it is still largely top-down and dictated by the private sector. An NGO executive described its relationship with the private sector in these words:

“We have actually done some resource mobilisation locally within the private sector, but any time you try to reach out to them, their responses are not encouraging. Right now, we are the ones pushing - there is a project on plastic pollution that we are supposed to resolve, so we are trying to access funding from them, but have not received a good response.”

The private sector and local CSOs can collaborate across several areas; for instance, the private sector can finance CSOs through corporate social responsibility, give them shares in companies, or facilitate joint programming. CSOs should make sure that they are the bridge between the private sector and communities so that companies can continue operating locally. As demonstrated in South Africa, Ghana, Kenya and Nigeria, these strategies are already underway but more needs to be done.
CSOs must leverage domestic funding sources. Philanthropy is often built around the interests of the benefactor or founder. Therefore, African civil society should advocate for flexible funding. To address the fact that there are differences between local and INGOs, some philanthropic organisations have clearly defined what an indigenous NGO means, resulting in better inclusion. Amplify Change serves as a good philanthropic example of inclusion as they are a major funder of global strategic change; they have deliberately designed a grant that targets only indigenous African organisations.\(^5^4\) Before Amplify Change introduced this affirmative action, “there wasn’t a single African organisation that... ever won a strategic grant”.

Another example is the Open Society Foundation (OSF), which funds areas of strategic importance to the continent. The OSF only funds African organisations and actively looks for potential grantees based on their ability to act on issues that are critical for Africa. On rare occasions, the OSF also invests in start-ups, including new and innovative organisations.\(^3^5\) Other notable examples of progressive grant-giving practices include The Ford Foundation’s BUILD initiative, which has made a five-year US $1bn investment in the long-term capacity and sustainability of 300 social justice organisations. For organisations that might not be ready for this level of funding, there are other effective initiatives and grantmakers, such as the Segal Family Foundation and Firelight Foundation, that provide local CSOs with unrestricted grants for networking and capacity building.

Donor practices remain tied to the “historic colonality of access” as the use of intermediaries from the West remains widespread. There is hope, however, that organisations will begin to shift and join the likes of Amplify Change, as these “provide powerful counter-narratives, embedded in the principles of human rights, principles of equality, principles of equity of access, and mutual accountability”.\(^3^6\)

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**US $1BN**

The Ford Foundation’s BUILD initiative has made a five-year US $1bn investment in the long-term capacity and sustainability of 300 social justice organisations.
The growth in African sources of funding provides new revenue streams for CSOs. More collaborations need to be developed between local CSOs and African foundations, individual givers, and HNWIs. This report found that HNWIs prefer giving to the public sector over CSOs.

Reasons for this preference are:

**Reason 1**
**Popularity and Recognition:**
"It is about letting people know that they are the one funding and doing the work. They want everything to be about themselves... they believe that if they are giving to the local organisations, they will not be known." 37

**Reason 2**
**Politics and Power:**
"They want to retain some form of philanthropic political references, especially with the ruling government, as they can get favours in terms of contracts, tax waivers, and it also helps their goodwill in society. You see the social relationship and the power relationship playing out between the foundations and the local people. It is often very difficult for local organisations to access the support of those foundations because they were not built to address local issues. They were built to serve the interest of the capitalist." 38

**Reason 3**
**Lack of Trust in the Local NGO’s Capacity:**
"There is lack of trust, perceived capacity gaps, and rumours... When Nigerians want to give, it is not merely giving as an act of giving; they also want to control the fund... They are very careful not to allow their fund to support issues that may be antagonising the government... It is for their glory, not for sustainability." 39

For NGOs in Africa to thrive and build their capacity, philanthropy must begin to channel resources towards civil society and also develop other forms of support.
Shining Hope for Communities (SHOFCO): scaling through deep & passionate local community engagement

SHOFCO was established in Nairobi, Kenya, in 2004 by Kennedy Odede, when he was a teenager growing up in Kibera, Africa’s biggest slum. SHOFCO is a grassroots organisation that transforms the lives of urban slum dwellers and offers a blueprint for local CSOs across Africa. The organisation has managed to scale through strong organisational leadership and smart, effective community-led solutions.

SHOFCO’s operational innovations earn exceptionally high local engagement from the communities it serves, as well as donors. Specifically, SHOFCO operations are driven by local community leaders, elected to drive the community’s own, freely chosen agenda through SHOFCO’s organising platform, the SHOFCO Urban Network (SUN). SUN membership grew by 113% from 2018 to 2019; by 210% from 2019 to 2020 and stands at 495,668 members in 2021.

The organisation’s model has three pillars: direct provision of critical services, community organising, and education and leadership development for women and girls. These pillars have positively impacted the lives of 2.4 million people, with SHOFCO’s model for slum transformation in Kibera being replicated across 24 more slums throughout Kenya.

SHOFCO has succeeded despite the complex challenges of operating in an urban slum context, where political dynamics are sensitive. Yet it still faces difficulties regarding how the organisation and its results are perceived by the outside world. For example, funders can easily grasp the success of individual programs where a clear track record of easily quantifiable results, such as health or educational results data. However, when the benefits of SHOFCO’s work are more qualitative and community based, donors can find it harder to appreciate the impact, without experiencing and seeing it on the ground for themselves.

Other challenges include the administrative burden from funders wanting to support the organisation’s work. To help ease this, SHOFCO registered as a charitable organisation with the Internal Revenue Service (IRS) in the United States.

The general lack of trust organisations like SHOFCO face from global donors, continues to restrict funding and their ability to keep scaling, even though these perceptions are based on myths and misconceptions about locally led CSOs in Africa.
The COVID-19 pandemic reinforced the urgent need to invest in the digital capacity building of CSOs. Evidence demonstrates that the lack of CSO capacity in digital technologies negatively affects their operations and organisational performance, exposing a need to deliberately invest in CSO technological capacities. For instance, donors could provide financial and technical support to develop the digital technologies (i.e. hardware and software) of CSOs as part of their capacity-building initiatives. In doing so, they should make a deliberate effort to include technology-related costs associated with the project and overall organisational operational support as part of their provision. This could involve the provision of core funding aimed at building organisational infrastructure.

In Ethiopia, technological solutions were adopted following the pandemic-related mobility restrictions, which meant staff had to work from home while continuing their activities. Staff acquired new skills and gained experience in digital tools and applications. Combined with crowdfunding and the use of social media platforms, the visibility of CSOs has increased following their online presence. CSOs can now connect with new audiences and secure aid from a variety of supporters. CSOs need to prioritise digital investment in the post-COVID-19 context as they reorganise their operations.

In addition, during the pandemic, CSOs evolved and employed new approaches to working quickly while introducing new COVID-19 associated activities. They demonstrated innovation and agility to address the changing needs and operating environments. These experiences allowed CSOs to review and reassess their operating requirements and cost structures, which have the potential to increase significant savings, efficiency, and innovation. There is a need, however, for ongoing learning and experimentation.
Local CSOs must take their governance and leadership seriously. Most CSOs focus on project implementation rather than investing in efforts to build and strengthen their own governance structures. CSO leaders need to set out clear guidelines and own the process of building their capacity, rather than waiting for donors to facilitate the process. Nevertheless, donors could also provide incentives for CSOs to invest in leadership practices and training. There are several leadership courses available for CSO leaders. A practical recommendation is for donors to support the creation of a leadership institute or centre for CSO leadership in an African university. The centre would offer leadership courses on strategy, resource mobilisation, and capacity development.

There was widespread agreement among respondents on the need to reframe leadership in the context of scarcity and the recent pandemic. The challenges facing society require leadership that is collaborative, consultative and flexible. According to the head of one leading organisation in South Africa, the lockdown imposed new ways of working with the team towards a task-driven approach. The organisation is learning how to create a more sustainable work-life balance. Furthermore, the pandemic has led to new forms of work for leaders and their teams. For instance, the RAITH Foundation in South Africa, due to its proximity with local organisations and the Solidarity Fund, found itself having to manage a network of 175 local organisations that distribute food parcels under the Humanitarian Pillar of the Solidarity Fund. This demonstrates an ongoing need to build agility and partnership within teams.

Creating an Enabling Regulatory Environment
An enabling environment for the operation of CSOs must be created. This requires governments to become proactive in engaging CSOs and promoting policies (e.g. tax incentives, right to information) that facilitate rather than hinder the operations of CSOs. CSOs also need to engage in self-regulation of their activities, which will likely improve their accountability and transparency, an issue that has negatively affected their credibility with stakeholders and intended beneficiaries.
Northern funding has predominantly centred on organisations that have sophisticated governance, accountability, and fundraising structures in place. Such organisations often have well-known individuals on their boards, are media-savvy, and have the ability to network at places of influence. These organisations are seen as ‘development stars’ or ‘donor darlings’ — yet they are only a small portion of the civic space and are not always in tune with community-level realities or alliances. Some of these are Northern INGOs, who have better access to funders but are even further removed from local realities in Africa. Donors must diversify beyond these star organisations and reimagine ways of getting valuable resources directly to CSOs on the ground. The local arena, however, is far from the Northern philanthropic comfort zone, demonstrating a lack of sufficient understanding about how these institutions/formations operate. Also, Northern organisations do not have dedicated criteria and systems to assess which institutions/CSOs are relevant and have an impact. They do not understand the contextual nuances at play and are unsure how to intervene. Here, precisely, is where philanthropy can be most relevant. But first, philanthropy must let go of its assumptions about success. Left to organise their own value systems and challenges, local institutions/organisations know very well what to prioritise.

The existing disconnect between funders and local CSOs is due to limited platforms of engagement, demonstrating the need for a mindset shift amongst funders to move from the received wisdom around project support towards scaling existing community resilient initiatives. Donors, including INGOs, must also make deliberate efforts to relinquish power by reimagining their partnership with local CSOs. In doing so, they will be required to shift the power from the Global North to the South by recognising local CSOs as actors with agency. While the ‘localisation agenda’ is a welcome development, its effective implementation depends on the commitment of Northern donors to respect and value the knowledge and expertise of their Southern counterparts. This also requires the establishment of longer-term partnerships rather than project-based relationships.
1. Interview with a corporate foundation leader in Nairobi, Kenya: 04/03/2021
14. Ibid.
16. ibid
17. Interview with CSO leader in Nigeria, 03/04/2021.
18. Interview with an international donor representative based in the USA but of Kenyan origin, 23/04/2021.
19. Interview with a leader of a global network of community foundations, 19/04/2021
21. Interview, ibid.
27. Ibid.
28. Ibid.
29. Ibid.
31. Interview with WACSI Management, WACSI, 31 st March 2021
32. Interview with a CSO leader, Nairobi, April 2021
33. Interview with a CSO leader, Nigeria, 06/04/2021
34. Interview with a CSO leader of a pan African advocacy organisation, opcit.
35. Interview with an OSF official, April 2021.
36. Interview with an Advocacy Leader, opcit.
37. Interview with a CSO leader, Nigeria, 05/04/2021
38. Interview with a CSO leader, Nigeria, 05/04/2021
39. Interview with a CSO leader, Nigeria, 06/04/ 2021