THE MINISTRY OF TRADE AND INDUSTRY (MOTI)

SOCIAL ENTERPRISE GHANA

PRESENTATION OF DRAFT GHANA SOCIAL ENTERPRISE POLICY TO CIVIL SOCIETY

Introduction

The Ministry of Trade & Industry in partnership with Social Enterprise Ghana (SE Ghana), British Council, STAR Ghana and the West Africa Civil Society Institute will be hosting and facilitating an interactive half-day national forum to present Ghana's Draft Social Enterprise Policy to Civil Society. The forum will provide a foundation for civil society to learn and make contributions into the ongoing national dialogue on social enterprise.

Under the theme:

National CSO Policy Forum on Social Enterprise & Impact Investing

"*Achieving the SDGs through Innovation & Social Entrepreneurship*" the forum will be held on 20th July 2018, Cleaver House, Accra at 9:30am.

Background

The Sustainable Development Goals with its emphasis on domestic resource mobilization continues to earmark the private sector as a key partner in fostering national economic development. An expanding and buoyant private sector expands income generation and employment opportunities, which spurs growth and reduces poverty. Private sector development has been one of government's priorities in Ghana's Medium-Term Development Plans as enshrined in the Growth and Poverty Reduction Strategy (GPRS II) and related Poverty Reduction Strategy Papers (PRSPs). The policy objective during this period was to strengthen the private sector to ensure that it could operate effectively as a major engine of growth. In addition to the private sector, the burgeoning social enterprise sector seeks to pursue economic objectives with direct or indirect societal benefits, and make progress toward local, sustainable development.

The Ministry of Trade and Industry (MOTI) with the active support of the British Council and Social Enterprise Ghana has been developing a Ghana Social Enterprise Policy. The object of the policy is to provide the administrative, institutional and regulatory framework for the governance and development of the social enterprise sub-sector in Ghana. The Policy defines a social enterprise as an organization that applies commercial strategies to maximize improvements in social and environmental goals. The focus of the organization could be more directed towards social and environmental impact than profits depending on the country and the **regulatory environment.**

Social Enterprise Landscape & Context

In Ghana, social enterprise comes with a distinct attribute of economic empowerment, and the creation of economic opportunity for all. Globally, social enterprises are thriving and as a result changing the terms of doing business whiles empowering the poor. As Ghana develops further and international aid reduces, social enterprise presents one alternative to harness local and global funds and innovation to drive inclusiveness by creating opportunities for all leading to social transformation. There is an emerging social enterprise sub-sector in Ghana that has grown consistently over the years, but at a slow pace. These are made up of both for profit and non-profit organizations as more and more NGOs are being forced to develop hybrid models to ensure their sustainability in the face of shrinking philanthropic support by government and international donors.

Current Challenges faced by Social Enterprises

The social enterprise sub-sector in Ghana is confronted with numerous challenges which impede its growth and development. Some of these challenges include high cost of credit, inadequate regulation of the sub-sector, unstable exchange rate between the cedi and major currencies and inadequate infrastructure (hard and soft) to support their operations. Additionally, increase in non-profit operating costs, increased competition due to growth in the charitable sector and the demand for innovative finance mechanisms to finance the SDGs is fast making hybridization become the new form of governance for the non-profit sector.

A nationwide research conducted revealed some of the specific challenges confronting social enterprises as:

1. Inadequate funding for social enterprises given that access to capital remains one of the major challenges of SMEs in Ghana
2. Regulatory landscape can be difficult to navigate for social entrepreneurs and arguably does not reflect the trend towards blended value. For instance, social entrepreneurs struggle to access existing tax exemptions and other benefits granted to organizations with a social purpose.
3. Skills gaps, especially around taking a social enterprise to scale and accessing markets and consumers in Ghana, across Africa and globally
4. Inadequate data on the social enterprise sub-sector; its size, impact, opportunities and needs.
5. High cost of energy

Towards an enabling environment

To address this, a number social entrepreneurs, intermediaries and other partners came together to form Social Enterprise Ghana (SE Ghana) a sub-sector group whose aim is to support the development of a strong and vibrant eco-system for social entrepreneurship and contribute to the achievement of the SDGs

The Social Enterprise Policy therefore seeks to help position the sub-sector to become a major driver of innovation, increase productivity, increase incomes of the entrepreneurs/hybrid organisations and improve their livelihoods including their employees.

The Policy is therefore designed to complement Ghana's Second Medium-Term Private Sector Development Strategy (PSDS II, 2012-2017) and other development programs and strategies that seek to develop a thriving private sector for the country.

The six thematic areas of the policy are Regulatory Environment; Financing for SE; Training and Capacity Building; Research, Statistics and Information; Technology and Innovation and Cross-Cutting Issues. These thematic areas have their various policy prescriptions which enlists government's interventions under each theme.

The Vision of the Policy:

A vibrant social enterprise sub-sector that drives innovation, create jobs and scales-up enterprise based solutions to social problems and the achievement of the SDGs in Ghana.

The Goal of the Policy:

Support achievement of the SDGs through the growth of strong, innovative and financially sustainable social enterprise sub-sector that drives measurable social impact in prioritized areas of social need, provide jobs and support economic transformation especially for the urban and rural poor.

Strategic Objectives:

- To create an enabling regulatory environment for Social Enterprise Development.
- To increase funding to social enterprises through innovative funding mechanisms.
- To increase training and support for social enterprises, champion a culture of innovation, and develop the SE ecosystem with a focus on supporting the effective implementation of the SDGs
- To identify key sectors and promote SE activities in those sectors to drive measurable social impact.
- To ensure adequate data collection and research to track and measure progress of SEs and the implementation of the SDGs.

Objectives of the Forum:

1. ***Present the Social Enterprise Policy to NGOs for their buy in and contributions***
2. ***Introduce the Social Enterprise Ecosystem and its activities to Civil Society***
3. ***Serve as a learning event on innovation and innovative mechanisms of finance including impact investing***

Outcomes of the Forum

The forum will have 8 outcomes:

1. Key reflections and recommendations by civil society are reflected in the policy including GESI
2. Civil Society members nominated to be part of the committee to draft the implementation plan for the policy
3. An understanding of social entrepreneurship and new innovative finance mechanisms specifically impact investing by civil society
4. Identify knowledge gaps for future capacity building
5. Civil Society Organisations that meet the criteria registered on the SE Ghana directory which will give them opportunities with Impact Investors
6. Final Report on the forum disseminated to key networks globally
7. Civil Society participating in SE Ghana learning & Innovation events
8. Agree activities towards joint advocacy for an enabling environment for entrepreneurship