



DEPARTMENT OF SOCIAL DEVELOPMENT

CONDITIONAL DONOR FUNDING AND ITS IMPLICATIONS ON NGO
AUTONOMY IN EAST AFRICA

Minor dissertation submitted in fulfilment of the partial requirement for the
degree of Master of Social Science: Social Policy and Management

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MGXIMM001

May 2015

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Abstract

The donor - recipient relationship has been the focus of numerous research projects. However, the conditions imposed by donors when giving funding to a recipient in relation to programmatic focus and the resultant ability of an organisation to remain autonomous have not been really addressed. This research therefore sought to address this very issue with regards to the conditions placed on donor funds and their effect on NGO autonomy. The research takes Gunder Frank's dependency theory as its theoretical framework which suggests that the third world was actively underdeveloped and conditioned to be recipients rather than producers. The same logic was then applied to the NGO sector where these organisations are trapped in the receiving cycle with little, to no individual ability to fundraise to become self-sustaining. The research was qualitative in nature where the researcher administered a web based survey to NGOs in three countries in East Africa namely; Kenya, Uganda and Tanzania. However, a qualitative aspect was also incorporated in the research as respondents were offered the opportunity within the survey tool to offer their individual opinion in a narrative form. Probability sampling was employed meaning that each organisation on the respective lists had an equal chance of being selected to participate in the survey, which ran from, December 2012 to June 2013. A total of 517 organisations were preselected to participate in the survey. The researcher received 74 complete responses which was a 14.31% rate thus deemed good for an electronic survey.

The researcher found that most of the respondent organisations were recipients of donor funding sourced from outside Africa, yet local funders were more involved in the running and management of the organisation as compared to their foreign counterparts. This was surprising given the fact that majority of the funding was from foreign sources. The issue of dependence came through clearly with most NGO reporting total reliance on donor funding that was programme specific. Consequently, NGOs were found to have more than one programme focus, which the researcher assumed was them casting a wide net to obtain funding. This meant that NGOs led a programme to programme existence and essentially if funding were to cease then the organisation would cease to exist as well; hence, the theory of Gunder Frank was confirmed. It was therefore the recommendation of the researcher that NGOs focus on one or two programmes at most, which will not only increase efficiency but will also help narrow their funding search, increase their chance of sourcing, obtaining and retaining funders more easily. The researcher also recommended that these same NGOs come together and apply for funding as a collective entity, report as a collective but each organisation runs its programmes separately

Acknowledgments

I would like to take this opportunity to express my appreciation to my thesis supervisor Associate Professor Andre de.V Smit, who not only assisted with the conceptualisation of my research but was always available to listen to my ideas and also pointed me in the right direction in terms of what literature sources to look for and read through. Without his guidance, patience and help this dissertation would not have been possible. I would also especially like to extend my sincere appreciation to the directors and other respondents for taking time out of their busy schedules to look at and respond to my survey. Their honest and open responses provided me with a rich wealth of information for my analysis, thank you very much.

My Masters journey would not have been possible were it not for the financial assistance obtained from the Department of Social Development's Overbeek Scholarship and the Humanities Faculty International Student's Bursary.

A special thank you to my family, words cannot express my gratitude for the never ending support, patience and encouragement throughout my Masters journey. I would like to especially thank my eldest sister Irene Wandia Mugo who has been a constant source of inspiration, encouragement, ideas and information. My appreciation also goes to my fiancé Fred Kimokoti who spent late and at times sleepless nights helping me with the statistical analysis while also being my number one source of inspiration constantly championing me towards my goal. Thank you for bearing with me in the moments when you listened to my ideas despite not being a 'words person'. Last but not least thank you to my two precious and wonderful sons Nathan and Ethan who gave mommy time to work despite wanting to spend time with her, mommy loves you. Thank you to everyone who helped see me through my Masters journey.

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1. CHAPTER ONE: INTRODUCTION

1.1 Brief introduction to the study and chapter

This document will focus on the civil society or non-profit sector in East Africa namely; Kenya, Uganda and Tanzania. The text will explore the relationship between conditions placed on donor funding and their implications for the non-profit sector's autonomy in terms of creation and implementation of local programmes. The text will look at the non-profits' ability to source funds, establish the degree of foreign control if any and finally assess their ability to remain financially sustainable should these funds not be forthcoming.

This chapter will state the problem, outline the rationale and significance of the study, clarify concepts, highlight the research topic, outline the main research questions, research objectives, research assumptions, and concludes by providing an overview highlighting the structure of the research report.

1.2 Problem Statement

In 1996, The United States Agency for International Development (USAID) created the 'New Policy Agenda' which was aimed at creating a more sustainable health and non-profit sector in general in South and East Africa (USAID 1996:2; as cited in Hearn, 1998). However, this programme has quickly created a highly dependent non-profit sector in East Africa, despite its initial mandate of creating a self-sustaining health and non-profit sector in Africa. According to a study conducted by Fowler (1992:61), a vast majority of Non-governmental Organisations (NGOs) in Kenya were reliant on foreign aid for more than ninety percent (90%) of their funds. This therefore means that the civil society not only in Kenya but in Uganda and Tanzania as well have "...no structural roots to the community in which they work but are mere shells of western sponsorship organisations having little to no power when it comes to agenda setting and programme development..." (Ngunyi, 1996:5).

Africa's economic performance since independence has been extremely bad (Nunn, 2007:158). Colonialism not only "...obstructed the internal process of state formation and development in Africa but it also left legacies of political instability and corruption..." (Tangie, 2006: cited in Hrituleac, 2011:11). Attainment of independence by East Africa meant that colonizers had to find new channels to exert control and the emerging NGO sector presented an attractive yet untapped resource that could be explored and developed. Though the countries themselves obtained political independence, the NGO sector did not enjoy the same kind of freedom as they now became the new conduits through which the colonial governments could channel funds and exert control due to their ability to dictate funding allocation and programme development (Edwards & Hulmes, 1998).

The result has been an over reliance on external donor funds by NGOs in East Africa leading to the inability of these organisations to sustain themselves or their projects. Furthermore, "...their loyalty and accountability

has been and continues to be towards their external donors rather than their local stakeholders...” (Odembo, 2012:2). The NGO sector in East Africa cannot continue on their current path of total dependence on external donor funds since this “...tends to contradict their roles as facilitators of sustainable development and self-reliance...” (Odembo, 2012:2). The researcher thus sought to understand the resultant relationship between donors and the NGOs as recipients of funds, and the conditions attached to these funds in relation to the organisation’s ability to remain autonomous in programming and implementation.

1.3 Rationale and Significance

One of the main “...results of the marginalisation of Africa in the world’s economy has been the markedly important role aid has played and continues to play in the continent...” (Hearn,1998:89). Following independence, NGOs were increasingly viewed as ‘...market-based actors...’ by foreign governments and bodies who saw them as having the ability to deliver social welfare services to the poor in society at a lower cost and with higher standards of quality compared to those from government (Hearn, 1998:89). This was due to the NGO sector’s increased involvement in providing basic services to communities after government’s reduction of expenditure on social services after independence, especially seen in Kenya, Uganda and Tanzania in the late eighties (Research on Poverty Alleviation {REPOA}, 2007:1). Consequently, the role of civil society in service delivery and development expanded drastically and the number of registered organisations skyrocketed in these countries. In Tanzania for instance “...the number of NGOs shot up from seventeen (17) in 1978 to eight hundred and thirteen (813) by 1994...” (REPOA, 2007:1).

The global financial crisis or the ‘great recession’ of 2008 to present has affected non-profit organisations’ funding the world over and none more so than those in East Africa. The resultant effect has been ‘increased demand for services offered by non-profits due to individuals and families struggling to make ends meet due to the economic downturn’ (Bridgeland, Mc Naught, Reed & Dunkelman, 2009).

With limited resources comes increased competition for funding, with many NGOs being put in a position in which they either have to adapt or risk closure. This has resulted in a shift in programming to a more ‘donor-centric or donor friendly’ agenda in order to obtain and retain funds (REPOA, 2007). The new shift has however given rise to a new breed of NGOs that are largely if not totally dependent on donor funding. The issue of sustainability therefore comes into play as well as questions emerging around how autonomous these organisations are when; creating and advancing their own programmatic focus and agenda versus how much of it is donor mandated. Not many studies have been conducted on this new trend in Africa and East Africa in particular, hence the reason this research was undertaken.

1.4 Concept Clarification

Autonomy

“This is the state of being self-governing or being independent” (“Autonomy,n.”, 2014). With regards to this research, the above definition has been used to describe the NGOs’ ability to be independent despite them receiving funding from either local or international funders.

East Africa

This is the “Eastern part of the African continent, especially the countries of Kenya, Uganda and Tanzania.” (“East Africa,n.”,2015)

Bilateral Donors

“These are members of the United Nations that provide development assistance directly to recipient countries” (“Bilateral Donor,n.”, 2014). These organisations provide assistance for legal and judicial development, security system management and reform, human rights and post-conflict peace building to mention a few. These include countries such as: Australia, Belgium, Canada, Spain, Sweden, Netherlands, Germany, Finland, Ireland, the United Kingdom and United States.

Fundraising Plan

This is “an outline of the actions to be taken or that are taken as well as the tasks to be completed if necessary funding is to be brought in to the organisation” (Cuthbert, 1992).

Fundraising Strategy

This is defined according to the organisation’s fundraising objective, “...the goal of fundraising is to obtain the necessary resources to implement the organisation’s mission. A fundraising strategy is the carefully structured, well researched plan to gain these resources for the organisation...” (Cook, 2002:291). The main feature of this strategy is that fundraising plans and activities are coordinated and planned in relation to short term and long term funding forecasts. However, this strategy does not lay out the exact steps to be followed to source and secure the required funds.

Local and Foreign Donor

“A donor is an individual or entity or person who donates something especially money to charity” (“Donor,n.”,2014). There are two definitions of donor that were put forward in the data collection instrument. A local donor was defined as an individual/organisation/formation from the country where the organisation is located that provides funding for programmes run by the organisation. A foreign donor was defined as an individual/organisation/formation from outside the country (within Africa and outside Africa) where the organisation is located that provides funding for programmes run by the organization.

Non- governmental organisation (NGO)

According to the United Nations, “A non-governmental organization (NGO, also often referred to as ‘civil society organization’ {CSO}) is a not-for-profit group, principally independent from government, which is organized on a local, national or international level to address issues in support of the public good. Task-oriented and made up of people with a common interest, NGOs perform a variety of services and

humanitarian functions, bring public concerns to governments, monitor policy and programme implementation, and encourage participation of civil society stakeholders at the community level. Some are organized around specific issues, such as human rights.” (“Non-governmental organisation,n.”,2014)

Local and Foreign National

The above terms were used to describe the individual’s orientation in terms of being located in a particular country. A local was identified as an individual born and raised in the country where the NGO/organisation is located and has citizenship of that country while a foreign national was an individual not born and raised in the country where the NGO/ organisation is located and does not have citizenship of that country.

Sustainability

This is “the measure of an organisation’s ability to fulfil its mission and serve its stakeholders over time. It involves all elements and functions of an organisation and every major decision made within the organisation must be considered through the filter of sustainability” (Abt. Associates Inc, 1994: 1). The three elements of sustainability investigated during the research were; financial sustainability, organisational sustainability and sustainability of services.

1.5 Research Topic

The research topic is, “**CONDITIONAL DONOR FUNDING AND ITS IMPLICATIONS ON NGO AUTONOMY IN EAST AFRICA**”

1.6 Research Questions

The research endeavoured to answer the following questions:

- How, when and who founded the organisation;
- Where the organisation sourced its funding;
- What the composition of the board and management structure is as well as its level of influence and control in terms of decision making;
- What type and number of programmes were run by the organisation at the time;
- What degree of influence if any was exerted by funders on the management, overall administration, programme development and implementation;
- How the organisations perceive their degree of empowerment versus control exerted on them through funding conditions; and
- What the organisation’s perceptions are around funding, fundraising and sustainability.

1.7 Research Objectives

The objectives of this research were in line with the research topic. The main objectives of the research were:

- To understand the organisations as a whole, in terms of establishment and founding, location and areas of service;
- To establish the foreign and local sources of funding;
- To understand the management of the organisation including board composition and roles within the organisation;
- To learn about the programmes run by the organisations and the degree of local and foreign influence in their establishment and running;
- To establish the perception of empowerment versus control with regards to organisational decision making;
- To learn about the organisation's finances and fundraising ability;
- To comprehend the perceptions of organisational fundraising ability; and
- To learn about the financial sustainability of the organisation and way forward should funding cease.

1.8 Research Assumptions

The assumptions made during the course of the research were:

- All the NGOs approached were recipients of either local or foreign funding;
- All the NGOs surveyed would not only be recipients of donor funding but would be totally if not largely dependent on these funds;
- All NGOs surveyed had board members who were approached and put in place by the organisation leadership;
- That these organizations worked according to pre-set objectives either solely or jointly created by the donors and organisation; and
- That the organizations received little to no government funding.

1.9 Structure of the report

Chapter one provided an introduction to the research, it addressed the rationale as well as significance of the study. The chapter went on to detail the research; question, objectives and assumptions.

Chapter two examines the literature around the NGO sector and the questions that are prevalent in terms of the challenges the sector is experiencing. It will go on to look at the legislations governing the NGO sector and address the issue of donor funding and its effect on the NGO sector focusing specifically on East Africa.

Chapter three addresses the research design and methodology utilised in the research. The chapter will address the process of securing the study sample while addressing the choice of data collection method implemented and the tool used. Finally the chapter sets out the steps used for data analysis and the limitations of the research study.

Chapter four details the discussion of the results relating the findings to the literature review, while examining the similarities and differences as well as some of the contradictions between the results obtained in the study and those of previous research.

Chapter five contains the conclusions and recommendations based on the study's results and also incorporates some general recommendations provided by some of the respondents of the survey.

2. CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The literature review begins with an introduction to the theoretical framework that underpins the study. This is followed by a discussion of colonialism and underdevelopment and the impact it had on the emerging NGO sector post colonialism. The chapter goes on to address the international, regional and local legislation governing the development and functioning of the NGO sector. In addition, the role of NGOs has been addressed as well as the state of the funding landscape including a discussion on donor funding and the resultant impact it has had on the NGO sector.

2.2 Theoretical Framework

The Dependency theory was put forward by Andre Gunder Frank in 1969 in his work, *Capitalism and Underdevelopment in Latin America* (Graaff & Venter, 2001). The theory was put forward during the colonial era when colonial rule was seen as a necessary tool to 'safeguard and extend capital investment', with colonies being sources of cheap raw materials as well as captive markets for their coloniser's goods (Wayne, 1975:317). The theory suggests that, First World countries (core) have not only actively underdeveloped third world countries (periphery) but have also dominated them. The mechanisms by which the underdevelopment occurred was via the core's exploitation of the peripheral countries through unequal conditions of trade; therefore capital was continually being transferred from the periphery to the core with none being forthcoming to the latter (Graaff & Venter, 2001). Peripheral countries were thus geared towards the provision of raw materials and other goods for core countries; in essence making them extensions of the core.

This consequently created a system that was not designed to foster internal development but instead was shaped to service the core countries. In East Africa for example the "...condition that was created was the existence of a large labour force... that increasingly if not solely depended on wages for its survival..." (Amin, 1971:11; cited in Wayne, 1975). Essentially the peripheral countries were exposed to the capitalist system which in theory was supposed to lead to growth economically for both, but in actual sense the growth was unequal and economic autonomy for the peripheral countries was never achieved (Rodney, 1972; Bond, 1975). Exposure to the capitalist system of the first world countries brought about active underdevelopment to the third world countries through unequal terms of trade. Subsequently, development in one (core) meant underdevelopment in the other (periphery) (Wayne, 1975). Therefore a system of dependence was created where the periphery became totally dependent on the core for its economic survival.

In the same way donor funding is slowly but surely depleting non-profit's capacity to be self-reliant and sufficient. At first these funders provide funds to NGOs to carry out programmes that they deem important within the communities they operate. However, over time these organisations become solely dependent on donor funds and are unable to rally and fundraise in order to ensure they are financially independent (Reith,

2010). Western sponsorship of non-profits has increased and these sponsors are increasingly playing pivotal roles when it comes to other aspects of the societies/countries within which they are providing funds; they are thus playing an increasingly “...pivotal role in economic, social and political life of the country...” (Hearn, 1998:89). As such, NGOs are stuck in the dependency cycle in which they have to seek donor funding and keep looking for donors to keep their doors open, and continue to run.

NGOs in East Africa are largely recipients of project based funding from donors, which comes with various restrictions attached in terms of how to use the funds (REPOA, 2007:xi). Therefore project based funding is unsustainable in the long term due to the fact that when funding is withdrawn, activities often cease abruptly and prematurely; thus putting the NGOs in a position where they have to keep seeking donor funds in order to keep programmes and services they provide running (REPOA, 2007). Consequently NGOs have become and continue to be dependent on donor funding in order to sustain their activities and programmes. On the other hand, NGOs have the capacity and manpower to develop and drive their own agenda but due to increased competition for limited resources in terms of donor funds; they tend to end up with ‘donor friendly programmes’ at the expense of their inception mandate. This is the situation in which NGOs all over the world and East Africa in particular are faced with, where more and more are changing their operating objectives or continue to create new programmes to suit donor requirements in order to obtain funds (REPOA, 2007).

2.3 Colonialism and Underdevelopment

East Africa was colonized in part by the Germans and later the British. These colonies were seen as possessions of their colonial masters and were seized under the guise of promoting nationalism and general security or for the glory of the coloniser’s home countries (Robinson & Gallagher, 1968; cited in Wayne, 1975:2). However, ‘...formal colonial rule in actual sense was seen as a tool to safeguard and extend colonial investment by companies based at home/abroad while developing cheap markets with a captive labour force...’ (Wayne, 1975:2). Therefore, these industrialists shifted bases of operation while retaining modern production methods under conditions that suited them, ensuring maximum profits at little to no production costs (Amin, 1971; cited in Wayne, 1975:3).

A capitalist system based on production developed whereby colonialists had the upper hand based on the Marxist way of looking at development. The “...constant revolutionizing of forces of production in the capital accumulation process led to the concentration of the ownership of even more instruments of production (those being colonized) in fewer hands (colonialists) which in turn led to an even greater reproduction of inequalities...” (Legassick, 1976:2; cited in Denmark & Kenneth, 1988). Furthermore, the taxation system created by colonialists meant that the Africans had to find work to not only pay these but survive, thus the emergence of a large pool of labourers solely dependent on wages that was not hard to find or retain.

Despite the capability, initiative and will of Africans to be independent of such labour agreements, “...the deeply rooted and external structural constraints...” (Rodney, 1976:436), they found themselves in, it made it impossible to escape the already developed cycle of dependence. The colonial state therefore saw the

beginning of dependence which saw Africa not only become underdeveloped to a certain extent but to be heavily reliant on assistance; while ensuring that innovation and entrepreneurial urge was suppressed causing the need to survive to become dominant (Odembo, 2012).

The NGO sector in these East African countries emerged during the colonial era, despite freedom of association not being entertained during this period (Kiai, 1999:15: cited in Kameri Mbote, 2002:2). Therefore only two main civil society organisations existed and operated in East Africa namely: religious/philanthropic and people's organisations. After independence however, NGOs gained greater recognition due to the numerous economic ills that existed in addition to the fact that the governments had failed to deliver much-needed economic leadership.

2.4 Legislation

Following the United States' sending various signals in the early 90's around their belief that most African governments were corrupt, they adopted policies aimed at working more closely with NGOs (Chege, 1999:6: cited in Kameri-Mbote, 2002). The sector thus came into the limelight and has since played an increasingly vital role in the implementation of various interventions (Kameri-Mbote, 2002). This greater recognition coupled with NGO's taking greater responsibility for social and political change meant that legislations had to be put in place to ensure establishment and to an extent monitoring by governments of these organisations.

International legislation as well as multilateral treaties provide credibility and legitimacy to the establishment and work of NGO's the world over. The freedom of association is fundamental to the NGO sector. Article 20 of the Universal Declaration of Human Rights (UDHR) of 1948 states: "Everyone has the right to freedom of peaceful assembly and association". Though not legally binding, the Declaration's provision lays out the accepted principles of law to which signatory states such as Kenya, Uganda and Tanzania must abide. Article 8 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) of 1966 that came into force in 1976, recognises the right to freedom of association and creates a legal obligation for all signatory states to submit periodic reports to the committees on the state of NGO's working environment. Kenya, Uganda and Tanzania are all party to the ICESCR, albeit Kenya has not submitted a single report to date to the committee which has since expressed concerns that, "...the government has frustrated efforts by NGOs to spread awareness of the rights expressed in the covenant..." (Kenya Jurist, 1993: 43: cited in Kameri-Mbote, 2002:6). The 1966 International Covenant on Civil and Political Rights (ICCPR), Article 22(1) states that "Everyone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of his interests". Other international legislations such as Chapter 27 of Agenda 21 for Change makes provisions that require the governments of member states to take concrete measures to facilitate NGO coordination. Principle 10 of the 1992 Rio Declaration on Environment and Development as well as Agenda 21 for Change have been critical to the role that civil society plays especially in environmental management which has increasingly gained recognition, with global warming taking centre stage (Kameri-Mbote,2002:5).

The move towards greater participation of NGOs has been based on the premise that these organisations protect associational rights. The characterisation of NGOs has also changed increasingly due to the “...crisis of the state...” (Kameri-Mbote, 2002:2) due to the fact that governments after independence were unable to meet the increasing demand for services leading NGOs to fill these gaps. This has also been recognised at the regional level. The East African Community (EAC) Treaty also known as the Treaty for East African Cooperation of 1967 where Article 127 advocates for and captures the spirit of promoting a supportive environment for NGOs. Provisions of the Treaty enjoin member states to ensure and facilitate public participation and civic involvement in decision-making at both the national and regional levels (Kameri-Mbote, 2002:6). Similarly the principles and vision of the African Peer Review Mechanism (APRM) and the New Partnership for Africa’s Development (NEPAD) to which Kenya, Uganda and Tanzania subscribe “...underscores the pivotal role of civil society in sustainable national, social, economic and democratic development...” (National NGO Policy Uganda, 2010:16).

Given increased demand, NGOs therefore increasingly participated in the development and decision making processes leading local governments to create in country laws to monitor the fast growing sector.

Chapter V of the Kenyan Constitution, Section 80 in particular provides for the protection of the freedom of association and assembly, where every person is guaranteed this right to freely assemble as well as associate with other persons including the right to form as well as belong to associations. Kenya offers three basic registration options for civil organisations. First, the Department of Social Services under the Ministry of Culture and Social Services registers community groups that operate in fairly limited administrative areas such as locations and divisions within the districts. Second, organisations applying for registration as associations and societies can register at the Attorney General’s Office (Societies Act, No.108 of 1968, 1968: Cap 490). Third, the NGO Coordination Bureau within the Office of the President registers international, regional and national NGOs (Njuguna, 1999:20: cited in Kameri-Mbote, 2002:8).

The National NGO Coordination Act No.19 of 1990 sets out the requirements and rules around NGO registration. The Act establishes an agency known as the NGO Co-ordination Board that governs NGO operations in Kenya. Section 3 establishes the agency, while Section 7 outlines the role of the board as; the coordination and facilitation of the work of NGOs, maintenance of the registration of NGOs, reception and discussion of reports of NGO, advising government on the activities and roles of NGOs as well as providing policy guidelines to NGOs. Section 12 (1) states, “Every non-governmental organisation registered under this act shall be issued with a certificate of registration”. Subsections (2 & 4) go on to articulate the importance of a registration certificate as, “... a certificate of registration shall be conclusive evidence of authority to operate throughout Kenya or as such parts of the country as are specified therein... where the certificate of registration will contain the terms and conditions as the Board may prescribe...” (Non-Governmental Organisation Coordination Act, No. 19 of 1990, 1990: s3, 7 & 12).

Section 14, Subsection (3) makes further registration provisions by listing the; proposed operations, location of activities, their duration, sources of funding and relations with other organisations. Subsection 18 (3) provides the conditions under which an NGO can be deregistered stating, "...the Board may strike off the register any organisation which fails to provide proof of its existence....or if the council does not confirm the existence of such and organisation..."(Non-Governmental Organisation Coordination Act, No. 19 of 1990, 1990: s14). Section 15 of the NGO Council Code of Conduct 1995 sets out the values that NGOs must adhere to such as; probity, self-regulation, justice, cooperation, prudence and respect (NGO Code of Conduct, No. 306 of 1995, 1995:s15). Kenya also has some tax laws that give NGOs exemptions when it comes to paying tax and importing of resources and material for their own use. Regulation 29, of the NGO Co-ordination Regulations of 1992 contains tax related provisions which exempt these organisations from duty, where the NGOs may apply for exemption of certain imports from duty. Regulation 30 states that NGOs may seek and obtain exemption from tax in respect to value added tax (VAT) as well as income tax; where VAT applies to goods and services necessary for meeting the objectives of the NGO or income generating activities while the latter applies to expatriate employees of NGOs (Non-Governmental Co-ordination Act, Cap.134 of 1992, 1992:r29&30; cited in Kameri-Mbote, 2002:11)

Uganda's policies on NGOs have been criticised by many activists for narrowly depicting and minimally describing work carried out by these organisations (National NGO Policy Uganda, 2010). Article 38 of the Constitution of Uganda 1995 embeds the "...rights of every Ugandan to engage in peaceful activities to influence the policies of government through civic organisations..." (National NGO Policy Uganda, 2010:7). The formation of the NGO coordination board and its mandate are laid out in the 1989 NGO Statute (Non-Governmental Organisation Registration Act, No. 113 of 1989, 1989:s2&10). All NGOs operating in Uganda are required to register with the NGO Registration Board in the Ministry of Internal Affairs. However, Community Based Organisations (CBOs) "...are required to register with and obtain a certificate from the District Local Authorities unless they have one or more promoters in Uganda which then means that they are to register with the NGO Registration Board..." (National NGO Policy Uganda, 2010:7). The NGO Registration Amendment Bill of 2001 later passed by parliament in 2006 now formerly referred to as the NGO Act of 2006, governs the sector in Uganda. Article1 (e) defines an NGO as "an organisation established to provide voluntary services". Under the act, registration, staffing and scope of operation are defined. Article 2 established the NGO Registration Board and it goes on to state "...upon registration, the Board shall issue a certificate of registration...the certificate will detail organisation; a) area of operation; b)where the organisation may carry out its activities; c) staffing of the organisation..." (Non-Governmental Organisation Registration Act, No. 113 of 1989, as amended, 2006: a 1&2).

The NGO Regulations of 2009 make provision for registration of the institutions. Regulation 5 (1) states, "an application for registration...shall be accompanied by a: specification of area of intended operation; field of operation; work plan and first year's budget" (NGO Registration Regulation, No.10 of 2009, 2009:r5) Furthermore, the Local Government Act, Cap. 243 of 1997 provides specifically for civil society organisations

including those perceived as playing an important role in service delivery at community level. Moreover the government through its policy framework developed the Poverty Eradication Action Plan (PEAP) recognising civil society not only as an influencer but an important actor in the promotion of grassroots democracy (National NGO Policy Uganda, 2010).

However, following complaints by the NGO sector on the strict procedures as well as narrow definition of the sector as put forward in the Non-Governmental Organisation Registration Act, No. 113 of 1989, as amended, 2006 and the NGO Registration Regulation, No.10 of 2009, the government developed the NGO Policy Draft in 2009 which acknowledged a wider scope of operation of NGOs in Uganda as well as the expansion of scope of operation with little (if any) to no government intervention. The NGO Policy Draft (2009:7) states “...there is need to harmonize more effectively all government policies and regulations in order to provide an enabling environment for the operation of NGO players in a liberalized and democratic society...” (The NGO Act, Regulation and Policy Briefing Paper, 2009:5).

NGOs are becoming increasingly recognised by government as important partners in nation building and being potent forces for social and economic development. The Government of Tanzania has continued to recognise the need to work with NGOs as well as the need for such cooperation to extend to other key players (National Policy on Non-Governmental Organisations, 2001: 3). Act No 15, 1984 of the Constitution of Tanzania guarantees the right of a person’s freedom of association. Article 20 (1) states, “Every person has a freedom, to freely and peaceably assemble, associate and cooperate with other persons, and for the purpose, express views publicly and to form and join with associations or organisations...for the purposes of preserving beliefs”

The laws governing the registration of NGOs in Tanzania trace their roots in British common law that was introduced in the 1920s. Before the enactment of the Non-Governmental Organisations Act, No. 24 of 2002, NGOs in Tanzania were allowed registration under: the Societies Ordinance, Cap.337 of 1954 that governs the registration and working of societies, the Trustees’ Incorporation Act, No.18 of 1956 all were means of registering NGOs during the colonial period (Kepa Working Paper, 2008:13). In 2002 however, the Government of Tanzania after various consultations passed the Non-Governmental Organisations Act, No. 24 of 2002.

The Non-Governmental Organisations Act, No. 24 of 2002 notes the existence of three functional registrars responsible for registering organisations that are NGOs and those with similar features to NGOs (Mmanda, 2008:5). Part III sections 12 and 13, make provisions for NGOs to register under the Trustees Incorporation Act, the Societies Act and the Companies Act of 2002. However, these organisations must comply with the condition that they must apply for a certificate of compliance under the Non-Governmental Organisations Act, No. 24 of 2002 after registration. The Non-Governmental Organisations Act, No. 24 of 2002, as amended, 2005, was enacted with the intention of achieving two main objectives, namely; registration and monitoring

of NGOs in Tanzania. Section 11(3) requires that NGOs be registered with a minimum number of three or more persons at the time of registration. Section 12 (3) of amendment 11 of 2005 provides for the registration of local and international NGOs (INGOs) in Tanzania. Section 29 of the Non-Governmental Organisations Act, No. 24 of 2002 requires that, “all registered and/or complied NGOs including INGOs pay fees annually, prepare reports that shall be made available to the public, the Board and the Council as well as other stakeholders”.

In 2001, the Government of Tanzania developed the NGO Policy framework that was aimed at providing clear reasons for its encouragement of partnerships with both the private and public sector. The policy was meant to ‘create an enabling environment for NGOs to operate effectively in the social transformation of the country’ (National Policy on Non- Governmental Organisations, 2001:4). The NGO Policy framework was also geared towards allowing NGOs to operate effectively (REPOA, 2007). In 2008, the NGO sector in Tanzania through the National Council for NGOs developed the Code of Conduct on the 5th of December 2008 (GN.363, 2008). The code put in place the basic codes of conduct including limitations and guidelines on how the NGO will operate and self-govern in Tanzania. The code’s objectives are threefold namely; the creation of an enabling environment for the NGO sector in Tanzania, enhancement of accountability of NGOs and encouragement of partnership and cooperation among NGOs and other stakeholders (GN.363, 2008: cited in Katemba, 2012).

2.5 The funding environment

Increasingly, NGOs are finding that grants and donations are inadequate to enable them meet their current programme needs, much less enable them expand current programme activities (Viravaidya & Hayssen, 2001:1). The economic crisis of 2008/2009 also dubbed the ‘great recession’ (Morreale, 2011), first emerged in the developed economies and through international trade and finance trickled down to developing countries (Hanfstaengl, 2010; cited in Gebreselassie-Hagos & Smit, 2013). This financial crisis has in turn become a global crisis which threatens the gains made in reduction of poverty and health issues in developing countries by the non-profit sector (Bonnell, de Beyer & Bennet, 2009). With a projected fall of 5% on average of the gross domestic product of developed countries, the first such fall in 60 years (Bonnell, de Beyer & Bennet, 2009:1), have resulted to fears that official development assistance and spending may reduce significantly.

Foundations in the “...United States gave a total of \$42.9 billion in 2009 down \$3.6billion from 2008...” (Morreale, 2011:4). The recession has dramatically impacted the non-profit sector for the worse, due to the fact that they are either partially if not totally dependent on such funding.

NGOs rely on the goodwill of funders or donors to cover the cost of their activities through grants and donations (Viravaidya & Hayssen, 2001). “Many grants and donations carry restrictions on the type of expenses that an organisation can and may cover, with the most common restriction being to cover direct costs associated with programmes and not the cost of support services or other overhead costs that an NGO

may encounter” (Viravaidya & Hayssen, 2001:1). Additionally, Smit (2005:354) found that sourcing and obtaining funding aimed at operational costs was the most difficult, indicating that funders preferred to fund projects in which direct service delivery results were readily apparent.

Following Australia’s 2014-15 budget announcement, further cuts to development assistance were announced. It was further announced that the troubled Australian AID (AusAID) would no longer be an independent agency but would merge with a government agency and all aid dissemination would be through the Department of Foreign Affairs and Trade (DFAT) (Santos, 2014). In a bid to keep spending down and get ‘...more bang for its buck...’ the DFAT introduced a new ‘...aid paradigm...’ that will see aid diverted to the Indo- Pacific region (the Pacific and New Guinea region) (Santamaria, 2014:2). This reduction resulting from the cost saving measures by the Australian government has impacted negatively on various countries as well as regions that were dependent partially if not totally on AusAID for their survival. The biggest losers in the new aid allocations by the DFAT are “...Latin America and the Caribbean with their allocations being zeroed out from \$15.1 million as well as Africa and the Middle East with a 29 percent reduction to \$143 million from \$202.3 million from the previous year...” (DFAT Fact Sheet, 2014: cited in Santamaria, 2014:3). This means that the already fragile African region with an NGO sector that is mostly if not totally depend on foreign aid is going to be facing tough times ahead.

The year 2013 saw a shift in donor priorities and funding allocations given the three major crises’ that affected millions in Syria, the Central African Republic and Philippines (Global Humanitarian Assistance Report {GHA}, 2014) which were all accorded the highest emergency level by the United Nations. There was a 24% increase from 2012 in government donor giving with nine out of the ten largest government donors increasing their funding to 16.4 billion (GHA Report, 2014:6). The coordinated appeals by the United Nations targeting at least 78 million people for assistance for the year 2013 called for US\$13.2 billion. By June 2014 appeals had exceeded available funding having reached a record US\$16.9 billion (GHA Report, 2014:6). Therefore “...the pressing demand for a response for the rising humanitarian needs continue to be unmet despite the donor as well as United Nations’ best efforts to allocate and disburse funds, where only 65% were funded and another one third of identified needs remaining unmet...” (GHA Report, 2014:6). Funders are therefore shifting their funding allocations to crises management leaving NGOs working in other sectors to look for alternate sources of funding.

2.6 Donor funding and its impact on the non-profit sector

The United Nations Millennium Project Report (the Sach Report, 2002: cited in Martens, 2005) and the Commission for Africa Report (the Blair Report, 2005: cited in Martens, 2005) both advocate for a sizeable increase in aid to the private and non-profit sector in order to achieve the Millennium Development Goals and reduce poverty as well as its effects. The Paris Declaration on Aid Effectiveness of 2005 was developed with the aim of making international aid more effective while calling for management of results as well as encouraging mutual accountability.

Funding for NGOs is often heavily linked to spending trends with these organisations receiving either direct funding from government ministries or from multi-lateral and bilateral donors that are influenced by government and other spending trends (Viravaidya, 2012). “Donors and donor agencies are also subject to funding constraints of their own in addition to their also being answerable to their boards, government ministries or national legislations that can limit their ability to fund projects based solely on their good record of guarantee or quality” (Viravaidya, 2012:1). Conditions imposed on many grants and donations coupled with the uncertainty of these funds make it difficult for NGOs to do long term planning , improve their services or achieve their full potential (Viravaidya & Hayssen, 2001).

NGOs are seen as the new and preferred channel for service provision in an attempt to purposely substitute the state (Gary, 1996; Marcussen, 1996; Stewart, 1997). Furthermore should the obligations of the donors be altered at any one point, a funding agreement between an NGO and donor is easier to dissolve than that with a government (Edwards & Hulme, 1998; Kharas, 2007). Subsequently, the NGO sector has become central to the economic (provide services to individuals at a lower cost with a higher standard and quality than government); social (development assistance) and political facets (lobby government while promoting ‘democratization’). Western aid agencies, private organisations as well as Southern/indigenous organisations have consequently began to play an increasingly significant role in the economic, social and political facets of various countries due to their sponsorship of a sector that is increasingly becoming pivotal (Hearn, 1998). Therefore since the 1980s, donors have preferred local nongovernmental organisations as opposed to governments to be the recipients of their funding that is geared mostly towards development (AbouAssi, 2012:1).

“The NGO-donor relationship is therefore essentially volatile; with NGOs in developing countries relying heavily on the foreign donor funding with heavy donor dominance evident” (AbouAssi, 2012:1). “...All donors have their own agenda where their own views as to which agenda or problems are important and what they consider to be the best intervention strategies to address these problems...” (Viravaidya & Hayssen, 2001:1). With increased competition and limited resources, “...NGOs are finding themselves in a situation in which they are compelled to “follow the money” and allow donors to dictate the direction as well as scope of activities or receive no funding...” (Viravaidya & Hayssen, 2001:1). The resultant effect is the growing dependence of NGOs on the financial resources provided by donors. Sometimes however, “...a donor’s motive may actually be detrimental to the organisation with some wanting to gain or obtain political support while others impose their own will on the NGOs direction in terms of work...” (Viravaidya & Hayssen, 2001:7).

However, donors are continually altering their strategic objectives depending on the country within which they are channelling funds, on the other hand NGOs ‘lag behind in their plans’ while trying to understand and adapt to these changes and developments (Doornbos, 2003). Subsequently, “...donors develop their programs, preferences and priorities and revise them at an ever increasing pace, while at best NGOs try to figure out how they might fit in or if they meet the criteria underlying the latest preoccupation of donors...”

(Doornbos, 2003: 15). The continued uncertainty associated with the sourcing and receipt of donor funding makes it extremely difficult for NGOs to plan and implement their organisation's core activities (Viravaidya & Hayssen, 2001). This situation has led many NGOs to live on a 'project-to-project existence' where most are unable to make long term plans to improve the quality of program services as well as expand core activities (Viravaidya & Hayssen, 2001).

All over the world cases are being documented of the transformational impact these donor funds have had on NGOs. The changes are varied to say the least, Hanafi and Tabar (2003) reported on the case of Palestinian NGOs abandoning their social service mission after funder's reallocated funds to advocacy and democracy in the wake of the 2006 elections. This is one example that shows how organisations are completely shifting their focus to suit funder's needs. Conversely, 'intentional' development occurs where international aid is channelled into programmes that have specific goals set by donors (Bebbington, 2004). These programmes at times take what the local people are familiar with and then formulate programme ideas that appeal to specific funding strategies. The resultant relationship is therefore one-sided or one-way, since donors set objectives and NGOs implement these programmes with the expectation from the former that evaluations and reports are submitted (Ebrahim, 2005). Therefore due to the fact that the NGO shifts to an implementing partner and a receiver of funding, they "... inadvertently if not purposely have to dramatically transform their organisational interests to align with their donor's; in so doing they lose much of their identity and interaction with constituents ..." (AbouAssi, 2012: 586).

Both approaches then expose the conflict that exists between organisational and development imperatives (Edwards, 2008), each with different implications for the accountability of NGOs. The issue then becomes the fact that NGOs become predominantly accountable to donors, who control and determine funding priorities, and not to their mission and values that should essentially be guiding their activities or to the constituents that they serve (Ebrahim, 2003; Edwards & Hulmes, 1996; Odembo, 2012).

The new foreign aid policy announced by Australia in June 2014 saw the introduction of new performance benchmarks for all recipients of the official development assistance by the country. All projects perceived to not be achieving the expected outcomes were under threat of being terminated if no improvements were forthcoming within a year. "...New performance measures have been introduced where funding will flow to NGOs, companies and multilateral institutions that delivered the most value for money while those not achieving the expected outcomes will be asked to improve performance or risk funding being suspended or cut..." (DFAT Fact Sheet, 2014: cited in Santamaria, 2014:1). The DFAT put 'priority allocations' forward including a "...\$ 338.6 million funding for humanitarian, emergencies and refugee expenditure, a \$ 120 million emergency fund and a \$134 million fund for NGOs under the Australian- NGO Cooperation Program..." (DFAT Fact Sheet, 2014: cited in Santamaria, 2014:2). This new foreign aid policy now creates a new dynamic that will see NGOs from Latin America, the Middle East and Africa faced with difficult times ahead, with more than a few downscaling activities if not completely closing the doors.

Since 2012, there has been a growing need for funds for organisations working in the humanitarian or NGO sector as different crises have been met with different responses by donors (GHA Report, 2014). Furthermore, the new shift now sees the type of disaster also affecting the speed and level of funding one receives. The increasing levels of poverty have led to an increased demand for services, therefore it can be argued that the goods and services offered by these organisations reflect the needs of the community. However, most NGO interventions do not reflect actual community priorities where often they are delivered in a manner that does not reflect the needs or empower the communities which they serve (NGO Sustainability Index {NGOSI}, 2009:77). This means that few NGOs serve their constituents, with many often implementing activities which are not part of their initial inception objectives. Likewise, local issues do not tend to be among the main priorities of NGO programming, as most donors tend to fund the operationalisation of global agendas such as the Millennium Development Goals (MDGs) (NGOSI, 2009: 126). This therefore means that NGOs end up in a situation in which “...they are more accountable to donors than their own members much less the constituents they are supposed to be serving...” (NGOSI, 2009:126).

2.7 Sustainability

“...NGOs face an increasing need for their services which in turn increases the costs of providing these services resulting in an increasingly restrictive and competitive environment of obtaining funds through donations and grants...” (Viravaidya & Hayssen, 2001: 2). Furthermore, most NGOs work in the capital cities of their respective countries in order to source and obtain funds from funders who mostly fund organisations working in the country’s social and financial hubs (REPOA, 2007).

In the last two decades, the number of NGOs as well as the resources they control has grown tremendously. Despite a difficulty to obtain actual figures, it is estimated that “...NGOs in Kenya have an annual development expenditure of about \$270 million, contribute to 2.5% of the Gross Domestic Product (GDP) and provide 42.6% of all public employment...” (NGOSI, 2009: 73). This goes to show the tremendous potential this sector has; however it is largely if not solely dependent on donor funding.

The main problem in both small and large NGOs is translating strategic plans into action, which is mainly attributed to a lack of capacity and funds. In many cases, “...most strategic planning processes are donor-driven and are usually drawn up by consultants without the participation of NGO stakeholders...” (NGOSI, 2009:74).

The key challenge to NGO sustainability is thus financial viability with most of these organisations relying on a single source of funding while a few others have developed relationships with two or more donors.

Nonetheless one of the main challenges encountered by NGOs remains access to and dissemination of services, as most cannot afford or provide services unless funded by a donor. “Moreover, others find it difficult to free staff time to attend fundraising courses, with a good number being too busy providing

services to others and thus tend to give little priority to their own development” (NGOSI, 2009:77). Furthermore, NGOs tend to lack operational plans with the formulation of strategic plans not being systematic or consistent (NGOSI, 2009). “NGOs shift their thematic focus from one to the other just to obtain funding, all the while with severe budget constraints affecting them; making them severely dependent on grants from Western, Northern and European foundations and governments” (NGOSI, 2009:126).

Long term sustainability of NGOs may require that they become largely financially self-reliant (NGOSI, 2009). According to Viravaidya & Hayssen (2001), self-reliance is not only key to reaching short term organisational goals but also the achievement of long term goals. More and more NGOs are facing the dilemma of finding new ways to increase their financial security while trying not to sacrifice their inception missions. However, becoming completely independent of donors may be an unrealistic goal for some organisations while for “...others the reliance on grants and donations would be considered the best approach...” (Viravaidya & Hayssen, 2001:2).

In order for an organisation to be fully sustainable, it must have and fulfil three prongs namely; financial sustainability, organisational sustainability and sustainability of services. “In terms of financial sustainability the organisation’s net income must exceed its liquidity and solvency. This means that the organisation should be able to pay all its bills and remain financially afloat. Organisational sustainability has to do with the organisation’s ability to secure and manage sufficient resources to enable it to fulfil its mission effectively and without excessive dependence on any single source of funding. The objective in this case is to maintain and build the capacity of the organisation that is providing a service that is beneficial to the community. The third prong is sustainability of services where services provided continue long after the primary or original donor has withdrawn. This therefore means NGOs need to focus on maintaining and improving the quality, provision and impact of services rather than building organisational capacity” (Abt. Associates Inc, 1994: 1-4).

2.8 Conclusion

This chapter has provided an overview of the various documents, policies as well as legislations that govern the NGO sector. The chapter has discussed the theoretical framework underpinning the research, as well as the impact colonialism has had on East Africa and the emerging NGO sector. It has gone on to look at the legislations governing the establishment and regulation of the NGO sector. The chapter has finally looked at the donor-recipient relationship and the impact funding has had on the NGO sector’s work in East Africa. The chapter that follows will address the research methodology.

3. CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter discusses the research design and outlines the methodology employed while carrying out the research. This will include an overview of the research study and its constituents; the sampling technique used and addresses the data collection process. The chapter will also look at the ethical issues that arose during the research process as well as highlight issues around reflexivity and limitations of the study.

3.2 Research Design

The research is exploratory as well as descriptive in nature. With regards to the exploratory aspect, the research sought to identify factors that contribute to a given reality thus addressing the issues around why something is the way it is. In the study's case, the research looks at the NGO sector in East Africa with the aim of understanding how conditions placed on donor funding influence agenda development and the impact this has on their autonomy. It can further be described as an empirical study due to the fact that it uses primary data in the form of first hand responses from either directors, financial managers or board members to provide information about the organisation (Babbie & Mouton, 2010). This approach was deemed to be the most appropriate to address the topic under inquiry due to the fact that it explores and also describes the donor as well as the recipient's resultant relationship. The descriptive nature of the research emerges in the clear portrayal or description of a given situation in concrete numerical terms which is one of the premises of the quantitative research paradigm.

The research design is the framework that outlines how to undertake research in order to achieve the desired research objectives (Babbie & Mouton, 2010: 646). This research adopted a quantitative design meaning that the data was numerically represented with observations and constructs being quantified for the purposes of describing and explaining the phenomenon reflected by the observations (Babbie & Mouton, 2010: 646). The quantitative paradigm is rooted in the positivist approach of understanding phenomena and is based on the premise that social sciences can be approached in the same way as the natural sciences (Babbie & Mouton, 2010:646).

The reason the researcher took the quantitative approach to the research was due to the fact that it allowed for a large sample of NGOs to be surveyed with relatively low costs. Additionally the survey comprised of standardised questions that allowed for close or similar responses allowing for the final analysis to take place objectively. Furthermore, the quantitative approach was ideal in determining the opinions and attitudes of participants concisely given the fact that the respondents were assured of anonymity and were able to complete the survey alone at their own pace. Finally, the method allowed the researcher to explore multiple topics that were addressed in the same online survey while its compatibility with the probability sampling methodology allowed for the generalisation of findings (Nardi, 2006).

The research also had a qualitative element to it as it allowed the researcher to gain an understanding of the underlying opinions of the participants (Babbie & Mouton, 2010:648); since there was a section allowing respondents to discuss the way forward.

3.3 Research Methodology

The methodology deals with how data was collected and it examines the research process in terms of the procedures and tools used during the research process (Babbie & Mouton, 2001:75). The aspects addressed under methodology include; the research population and sampling, the data collection as well as the analysis procedure (Babbie & Mouton, 2010).

3.3.1 Sampling and Research Population

The population under study was the non-profit sector in East Africa specifically Kenya, Uganda and Tanzania listed in the NGO Coordination Board website of each respective country. The organisations working in the social service sector namely; community development, aged care, education, development to mention a few were chosen for the study. The research was therefore carried out on this sector to make it easier for the researcher to generalise results of the donor-recipient relationship as most of the NGOs in the region were engaged in providing services in the aforementioned fields. The NGO Coordination Board Website was chosen because all NGOs are required to register with the board, and as such a comprehensive online directory of all registered NGOs in Kenya, Uganda and Tanzania.

The population therefore consisted of organisations that worked within the social service sector listed on the NGO Coordination Board website as of the 1st of December 2012. The total number of registered NGOs listed on the website with email addresses varied from country to country with 2004, 4591 and 2775 listed in Uganda, Kenya and Tanzania respectively. The researcher then employed probability sampling to obtain the study population, meaning that each organisation on the lists had an equal chance of being selected to participate in the research (De Vos, 2005). The researcher then sent out the initial survey invitation to all these listed organisations. However, from the emails sent out 200, 1235 and 430 respectively were invalid email addresses while 523, 876 and 360 bounced back, meaning that the servers used by these organisations had blocked the SurveyMonkey Website.

Therefore the researcher had a total of 1281, 2480 and 1985 organisations from Uganda, Kenya and Tanzania respectively that were potential participants in the survey. A random starting point was chosen on each of the three databases. Thereafter systematic sampling was employed with every 8th, 14th and 11th organisation on the Uganda, Kenya and Tanzania databases respectively being selected. Systematic sampling was employed by the researcher due to its simplicity, convenience and ease of use. Moreover if all subjects selected participated in the research the sample would have been highly representative of the study population (Black, 2007). And so the researcher ended up with a sample size of 160 Ugandan, 177 Kenyan and 180 Tanzanian organisations who then took part in the study; hence the total sample size of the study was 517 NGOs which were potential survey respondents.

3.3.2 Data Collection

3.3.2.1 The Data Collection Tool

The respondents were asked to complete an online survey, also known as a self-administered questionnaire (SAQ) (Babbie & Mouton, 2010). The computerized self-administered questionnaire (CSAQ) was emailed to respondents via Survey Monkey, an online survey administration website. Each respondent was invited to participate in the study via a link that took them to the survey page. The researcher chose an online survey due to the fact that it made it possible to not only collect data from a huge number of respondents in a short period of time, but with limited cost (Babbie & Mouton, 2010). The questionnaire developed by the researcher was not a standardised measurement instrument due to the fact that there was no data collection tool present that specifically addressed the topic under study. The researcher therefore developed the tool based on various small scale studies conducted on issues around funding as well as literature reviews carried out (Babbie & Mouton, 2010). This therefore meant that the reliability and validity from a scientific perspective were neither tested nor established (De Vos, 2005:118). Nonetheless, based on the questionnaires execution, it can be said that among the 517 potential respondents, the questionnaire managed to produce constant responses.

3.3.2.1.1 The Questionnaire

The questionnaire used during the research consisted of the following sections (See Appendix A: Research Questionnaire):

Section A: The organisation: the section provided details about the organisation that were meant to provide the researcher with an understanding of the population under study as well as services provided.

Section B: Local and Foreign funding sources: this section gave the researcher an understanding of where organisations obtained income.

Section C: The Board and Management: the section provided details around the organisations' management structures as well as decision making processes.

Section D: Programmes: this section gave the researcher insight into decision making around the types of programmes run by these organisations as well as an understanding of the staffing numbers.

Section E: Perceptions of Empowerment versus Control: investigated the degree to which organisations felt empowered to carry out their agendas alongside those dictated by funders and the resultant effects of the latter.

Section F: Organisation Finances and Fundraising Ability: explored issues around sustainability in terms of the organisations' ability to raise funds if donor funding ceased.

Section G: Perceptions around Fundraising ability: the section provided an overview of self-reporting by organisations around ability to raise funds given current organisational capacity.

Section H: Financial sustainability and the way forward: provided an overview of the future plans of the organisation going forward

3.3.2.2 The Survey Tool

SurveyMonkey, an online survey website was used to collect data for this study. SurveyMonkey is "...the worlds, most popular online survey software..." ("SurveyMonkey,n.",n.d) The tool is designed with the intention of making it easier for individuals, researchers, companies and marketers to create polls as well as survey questionnaires to learn about various topics from customer satisfaction to employee engagement ("SurveyMonkey,n.",n.d). With Virgin, Kraft, Samsung, Facebook and Salesforce as part of its 15 million past customers, the researcher chose SurveyMonkey due to its reliability, credibility and notoriety worldwide. Furthermore, the website had many flexible features that were adapted to the needs of the researcher in terms of the advanced designing features like; question filters, answer randomisation, and control of answer validity (Fielding et al., 2008).

3.3.2.3 The Pilot Study and Survey process

The researcher piloted the survey with 5 directors of organisations working in the social service sector in Kenya who are acquaintances. These organisations were chosen for the pilot based on self-reports from conversations between the researcher and the directors. It was reported to the researcher that two organisations had to scale down their operations due to a loss of donor funding, limited funds or an inability to raise funds to continue with organisational operations. The researcher thus chose to pilot the study to pre-test the data collection tool and ensure that the questions were easy to understand and respond to. The feedback received was mainly around the wording of questions, with some being said to be difficult to understand. The researcher then reworded the questions before sending the questionnaire out to the wider study population (De Vos, 2005). The email addresses of 517 NGOs in Kenya, Uganda and Tanzania which constituted the study's population, were saved onto Excel Spreadsheets and copied into SurveyMonkey. Consequently, an invitation email containing the link to the survey was sent to the email addresses of the preselected NGOs.

3.3.2.4 Issues around Electronic Surveying

With globalisation, the world is becoming a global village with more and more individuals gaining access to and using the internet due to its convenience and affordability. Web based surveys allow for a wide target audience to be reached which translates into a large number of potential respondents worldwide (Fielding et al., 2008). There is also a reduction in time, costs as well as errors arising from processes such as transcription since all responses received from participants is immediately stored in a computer database ready for analysis (Fielding et al., 2008; Greenlaw et al., 2009). The fact that the survey is self-administered is advantageous for both the researcher and respondent since the respondent is able to complete the survey at

the place, time and pace that they prefer while being afforded a sense of anonymity as well as privacy (Fielding et al., 2008). Furthermore, anonymity provided by the online questionnaire increases the chances of respondents answering some socially threatening topics, where the presence of the interviewer may influence response as well as reliability of responses provided (Madge, 2006). In addition, online questionnaires save time as well as money and they also ensure that data processing is automated (if need be) therefore reducing instances of human error in terms of data coding and entry during analysis (Madge, 2006).

Despite their various advantages, online surveys do have some problems that raise concerns around using this particular data collection method. Response rate for online surveys is lower than other data collection methods (De Vos, 2005). However, researchers have conducted research considering ways in which response rate can be increased. Aspects such as respondent contact, survey length, design issues, compensation as well as salience of the issues all affect response rate (Sheehan, 2001). According to Sheehan (2001), the length of the survey directly affects response rate meaning that an increase in length decreases response rate and vice versa. The researcher took this into consideration but was limited to how much the survey could be shortened given the nature of the topic under study. The fact that the survey was sent during the months of December 2012 to June 2013 a period in which many NGOs are either undergoing their annual financial audits or completing project reports to fulfil reporting requirements for funding were all factors that the researcher was aware of and took into account. The researcher made up for this by having a large sample size or pool.

According to Babbie and Mouton (2010), response rate of surveys increases when a follow up or reminder email was sent to the respondents after 4 weeks of sending the initial invite. In light of this the researcher sent reminder emails a week and a half (1½ weeks) after the initial invitation over the six month period with a reminder being sent every 3 weeks thereafter for the remaining 3 months the survey was up. There was noticeable improvement in response rate immediately after the reminder was sent but the increased response rate was not significant enough. The salience of the study topic also for potential respondents tends to influence response rates (Sheehan, 2001) due to 'respondents perceived benefits of the survey results'. During the course of data collection the researcher received feedback from participants expressing interest in results as well as recognising the fact that the topic was of significant value given the current funding trends. The researcher therefore assured the respondents that the results from the study would be shared with them to enable them know which funders to approach in accordance with their area of expertise or work.

Low response rates have also been associated with low levels of computer literacy as well as accessibility to the internet for respondents (Watson & Andreson, 2005). For this particular study, the population was selected based on the fact that they had existing email addresses which meant that they had access to internet. This therefore reduced the chance of lack of accessibility to the internet as a limiting factor to participation and completion of the survey.

3.3.3 Data Recording and Analysis

Data obtained from the electronic survey was exported automatically into an Excel Spreadsheet from SurveyMonkey. Two computer programmes were used to format and analyse the data, namely Microsoft Excel and SPSS. The data was first exported to an Excel Spreadsheet, and categorised, after which it was exported to SPSS for cleaning and analysis. Data cleaning means that the responses were collated and organised into a 'computer readable format' where items were incorporated into numerical values that were then used as the data set (De Vos, 2005:172). All results obtained were then tabulated and descriptive statistics in the form of charts and graphs generated using Microsoft Excel.

3.4 Ethical Considerations

Ethics is a set of moral principles recommended by individuals offering rules and behavioural expectations about the most correct conduct during research (De Vos, 2005:63). When conducting research, certain ethical guidelines were adhered to in order to maintain research integrity. The unit of analysis of the study was the non-profit sector in East Africa, and the study was conducted by means of an online survey thus no physical contact with participants took place. However, organizational information such as names and financial information was requested, with participants being assured of both confidentiality and anonymity.

Participation in the research was therefore voluntary and the participants were provided with the option of opting out of the study at any time if they so wished (Babbie & Mouton, 2010). Secondly, all participants remained anonymous and any and all information provided was kept confidential, with documents such as financial statements (if any) being used to make general inferences only. All these rules were clearly laid out in the consent form that preceded the online survey. The form outlined the purpose of the research and ensured that the participants were fully aware of what they were agreeing to prior to taking part in the survey. Furthermore, ethical clearance was sought from the Department of Social Development before the researcher administered the survey.

3.5 Reflexivity and Limitations of the Study

The researcher's thoughts and ideas and how these could inherently bias the research and how they can inherently be reproduced in their work (De Vos, 2006) often come into play. In terms of this particular research, the main area of concern for the researcher was the fact that the study was quantitative. This was new ground for the researcher as the methodology and analysis tools were new; hence the researcher had to have a third party assist with the analysis of the data received. Secondly, the fact that the research was an electronic survey was in itself a concern since there was the possibility of not having sufficient responses since respondents were not obliged to fill in the document. In addition to the fact that it was solely dependent on the participants' willingness to first look at and then answer it fully. Thirdly, there was the language issue since English in Tanzania is not the first language and thus some respondents encountered difficulties understanding the questions. Finally, the survey was first administered during the December period when

most of the organisations were doing their final reporting therefore were not receptive to the invitation as they were overwhelmed with work.

With every study there are constraints that the researcher encounters and this study was no different. First, the fact that the survey was self-administered and was online was an issue as there is generally a low response rate for SAQs either online or mailed (Babbie & Mouton, 2010). Secondly a predisposition known as a response bias may have arisen meaning that organisations familiar with one another or working in the same field could collude and end up providing similar responses so that they would not come off as the “...odd ones out...” (Babbie & Mouton, 2010: 170). Thirdly, there may have been issues around language due to the fact that the three countries being surveyed have differing first languages, for instance Tanzania has Kiswahili as its first language thus respondents may have had difficulty in understanding the questions. Finally, the systematic sampling methodology employed posed the danger of bias in that the selected intervals could coincide albeit accidentally, with one or other characteristics of the study group (De Vos, 2005:200).

3.6 Conclusion

This chapter discussed the research design, the population, the sampling technique, the data collection process and the data collection tool. It went on to address issues on ethics as well as reflexivity and limitations of the study. The chapter that follows is the results analysis and discussion chapter.

4. CHAPTER FOUR: RESULTS ANALYSIS AND DISCUSSION

4.1 Introduction

Chapter four will provide an analysis of the data obtained from the online survey conducted by the researcher. The topics under discussion in this chapter will be; the respondent profile, the organisation, funding sources, the board and management, programmes, perceptions of empowerment versus control, sourcing and raising funds, perceptions of fund raising ability and will finally address financial sustainability and the way forward.

4.2 Respondent Profile

The total number of registered NGOs listed on the website with email addresses varied from country to country with 2004, 4591 and 2775 listed in Uganda, Kenya and Tanzania respectively. The researcher then employed probability sampling to obtain the study population, meaning that each organisation on the lists had an equal chance of being selected to participate in the research (De Vos, 2005). The researcher then sent out the initial survey invitation to all these listed organisations. However, from the emails sent out 200, 1235 and 430 respectively were invalid email addresses while 523, 876 and 360 bounced back, meaning that the servers used by these organisations had blocked the SurveyMonkey Website. Therefore the researcher had a total of 1281, 2480 and 1985 organisations from Uganda, Kenya and Tanzania respectively that were potential participants in the survey. A random starting point was chosen on each of the three databases. Thereafter systematic sampling was employed with every 8th, 14th and 11th organisation on the Uganda, Kenya and Tanzania databases respectively being selected. And so the researcher ended up with a sample size of 160 Ugandan, 177 Kenyan and 180 Tanzanian organisations who then took part in the study; hence the total sample size of the study was 517 NGOs being potential respondents for the survey.

Of these, 74 were completed and sent back to the researcher hence a 14.31% response rate. The minimal number of responses could be attributed to the selection of the sample as well as the time of year in which the survey was administered, when NGOs are busy with programme implementation and auditing may have also contributed to low response rates. Furthermore the length of the survey as well its topic may have also played a part in the low response rate as respondents may have not found it to be an area of interest ("Survey Response Rate, n.", n.d). De Vos (2005) suggests that a response rate of between 10 and 20% is not only good but acceptable as online surveys generally have a low response rate. However, Nulty (2008:306) suggests that the sample size should be the main consideration to mean that "...the size of the population being sampled needs to be known and therefore the corresponding response rate can be readily calculated from the two figures..." The researcher therefore went for the view prompted by Nulty (2008) as the basis of the explanation of determination of response rate is more academically sound rather than De Vos (2005) that is based on broad generalisation. However, a response rate of 14.31% would be considered adequate but not enough to make general comments on the state of the NGO sector in East Africa.

4.3 The Organisation

This section looks at the survey respondents with regards to their; location, establishment and primary fields of service.

4.3.1 Respondent and Organisation Profile

The survey was to be answered by the director, a board member or a person who was aware of the organisation's working and finances. Majority of respondents, 86.89% stated that they were the director while the remaining 13.11% provided other responses such as; finance officer, programme coordinator and data manager.

The founding of the organisations was essential as the researcher wanted to find out if there were trends with regards to the sourcing of funds and funding allocation, in relation to the global financial trends at the time. The bulk of these organisations were founded between 2001 and 2010 corresponding with the period during which funding from donors was slightly easier to come by and available before the effects of the recession were fully apparent. This coincides with Bridgeland et al., (2009) who found that there was a rise in the number of NGOs being created during the early and mid-two thousands'.

The majority of organisations were reported to have been established by local individuals (29.51%), followed by 22.95% reportedly established by community members. While 19.67% were established as collaboration between local individuals and community member and 13.11% were established as a partnership between locals and foreign nationals. The remaining 14.76%, either did not know who established their respective organisations (3.28%), or indicated that their organisation was a branch of an international organisation (3.28%) or indicated that the organisation was established as a partnership between locals, community members and foreign nationals (8.2%), as seen in table 1 below. The establishment of the majority of these social service organisations being local coincides with the findings of Kameri-Mbote (2002) and REPOA (2007). Their research in East Africa established that most NGOs were founded by locals from the areas in which they were located.

Table 1: Party responsible for the establishment of the organisation

Party Responsible for establishment	no. of organizations	% of organizations
Branch of an international organisation	2	3.28%
Community member(s)	14	22.95%
Foreign national(s)	2	3.28%
Local individual(s)	18	29.51%
Local individual(s) and Community member	12	19.67%
Local individual(s), Community member(s) and Foreign national(s)	2	3.28%
Local individual(s), Foreign national(s) and Branch of an international organisation	1	1.64%

Other	2	3.28%
Partnership between local(s) and foreign national(s)	8	13.11%

The majority of organisations (80%) were based in the capital cities of the three countries under study with very few working in the rural areas. This coincides with evidence from REPOA (2007) who found that most NGOs in East Africa have their bases of operation in the major cities as donors were more willing to work with and fund organisations whose bases were in their respective countries' social hubs.

All of the organisations had more than one primary field of service with respondents listing; community development, education, health, human rights, youth and governance, and leadership as some of the main fields they were involved with, as shown in figure 1 below. These findings are similar to those of Kameri-Mbote (2002) and REPOA (2007) who found that most NGOs tended to work within the governance and empowerment sectors hence effecting community change and development. Furthermore, these fields of service have social, economic as well as political connotations attached to them as they are services that are supposed to be provided by government but are instead being fulfilled by the NGO sector. These findings are similar to those reported in Hearn 1998 and REPOA 2007. Despite engaging in these activities meant for government it is still surprising that the NGO sector is still unable to hold any of their governments accountable. Furthermore, the fact that all organisations indicated that they had more than one primary field of service shows that they either, want to service a greater number of constituents or want to attract a large funding pool. Viravaidya & Hayssen(2001), Edwards (2008) and AbouAsi (2012) also found that more and more NGOs were focusing on various services to ensure that they attract a wide number of funding streams and allocations.

Figure 1: Indication of Organisation's primary field of service

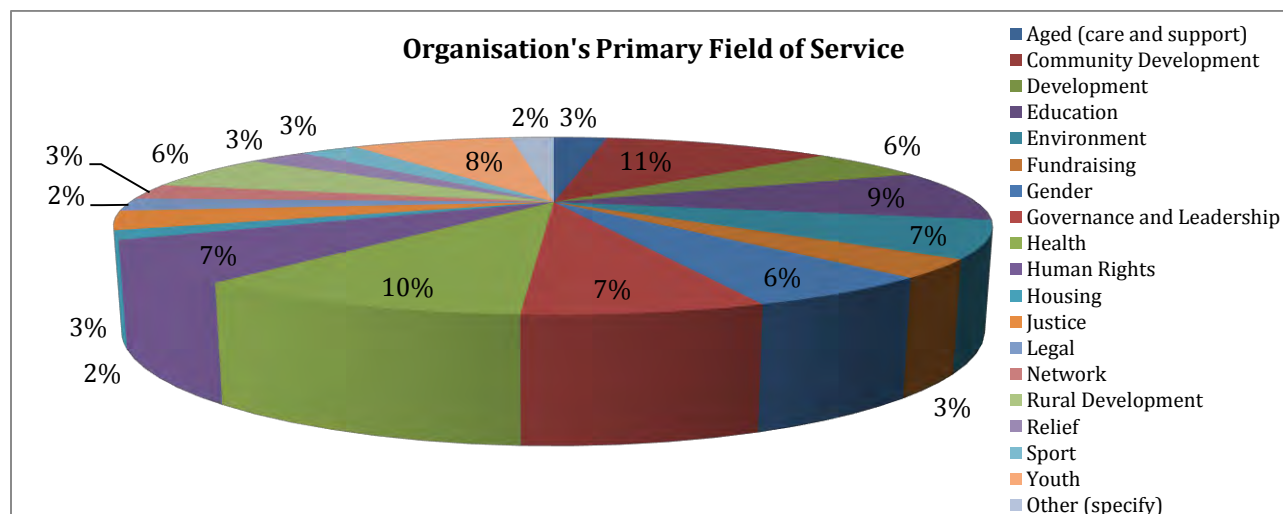


Figure 1 above shows the diverse fields of work in which the respondents were engaged in at the time. With the largest number working within the governance and leadership sector, followed closely by health. These results mirror the finds of REPOA (2007) who found that NGOs in East Africa are mostly engaged in work around leadership and health.

4.4 Local and foreign funding sources

This section deals with funding in terms of where the organisation obtained its funding at the time of survey administration. More specifically it sought to establish the source as well as the continent the funder was from.

The majority of NGOs, 82.14%, reported that they received funding, while 14.29% reported that they did not receive funding with the remaining 3.57% reporting that they did not know if they were recipients of funding. Since majority of the respondents reported being recipients of donor funding it can be assumed that this is an accurate picture of the state of the NGO sector in these three countries. Subsequently, the results affirm the findings of REPOA (2007) and NGOSI (2009) who reported that the NGO sector in East Africa was heavily dependent on donor funding.

Table 2 indicates the location from which the organisations reported to have been receiving funds from. A total of 59.02% of respondents reported receiving foreign funding from outside Africa, while 54.10% reported funding was from local funders. Additionally, 29.51% reported receiving funds from within Africa while the remaining 1.64% reported that they did not know where they obtained their funding from. Consequently, the majority of funding received is from outside Africa coinciding with information from the GHA Report (2014), NGOSI Report (2009) and DFAT Fact Sheet (2014; cited in Santamaria, 2014) that reported a heavy reliance on foreign donor funding by the African NGO sector.

Table 2: Source of funds

Funder	no. of organizations	% of organizations
African (from within Africa)	18	29.51%
Foreign(from outside Africa)	36	59.02%
Local funder	33	54.10%
Do not know	1	1.64%

The specific region from which the funds were sourced was also addressed. With 39.34% of the respondents reporting receiving funds from Europe, 31.15% from America, 29.51% from Africa, 6.56% from Asia and 1.64% from Australia, see table 3 below. The largest share of funds according to the results are sourced from

Europe and America confirming the figures from NGOSI (2009) who found that most NGOs received financial support from these two continents primarily.

Table 3: Indication of continent where funds are obtained

Continent	No. of organizations	% of organizations
Europe	24	39.34%
America	19	31.15%
Africa	18	29.51%
Asia	4	6.56%
Australia	1	1.64%

After identifying the donor continents, the funders of these NGOs were also ascertained. Multilateral donors were the source of 37% of the funds which was the majority, closely followed by international government agencies who provided 30% of funding. International faith based organisations, international corporates and international foundations reportedly contributed 29% of the funding, as shown in table 5 below. It is important to note that some respondents reported being recipients of government funding from the government of their country of operations despite the researcher’s assumption of NGOs not receiving government funding.

Nonetheless, the fact that majority of the funding was from multi-lateral donors and government agencies is confirmation of information cited in the GHA Report (2014) and DFAT Fact Sheet (2014; cited in Santamaria, 2014) that report the UN and other multi-lateral agencies such as AusAID being responsible for sourcing and distributing most of the development assistance for NGOs in Africa, Asia and the South Pacific.

The respondents also provided a list of other funders from whom they obtained funding from, including this as a separate response within the survey. The full list of funders as reported by respondents is also recorded in table 5 below. The researcher not only learnt of other funders that exist but it also shows that the list of potential funders for NGOs is vast depending on the area of work of that particular organisation.

The majority of respondents, 30.11% reported that they learned about where to obtain funding from other NGOs working in the same field, while 19.35% found funders by conducting an internet search. Furthermore, 18.28% learnt about potential funders by attending conferences, and 17.20% were referred by local partners, while 9.68% were referred by foreign partners, and the remaining 5.38% learnt about funding from other unspecified sources. Despite reports that the reduced pool of funding has led to increased competition among NGOs (Odembo 2012; Kameri-Mbote:2002) the results obtained point to the opposite, where NGOs despite minimal resources assist each other by providing referrals to donors to source funds. This result is both surprising and also holds a depth of potential as the levels of cooperation between these organisations can be further explored.

Table 4: Indication of where Organisation's learn about funding opportunities

Source	% of organizations
Conference	18.28%
Internet Search	19.35%
Referral by local partner	17.20%
Referral by overseas partner	9.68%
Other NGO working in the same field	30.11%
Other (specify)	5.38%

However, the list provided by respondents in table 5 below of other funders is of particular interest. This is due to the fact that, the list is still primarily populated by funders from outside Africa. Therefore by virtue of being funders from outside Africa, there is still a large possibility that it would affect the organisations receiving funding's levels of autonomy and agenda setting.

Table 5: List of funders

Funder	% of organizations
Australian Agency for International Development (AUSAID)	2.31%
Canadian International Development (CIDA)	2.31%
Danish International Development Agency (DANIDA)	4.62%
Department of International Development (DFID)	6.92%
European Union(EU)	6.92%
Local Government	9.23%
International Corporate	4.62%
International Government (Bilateral Donor)	3.08%
International Faith Based Organisation	4.62%
Irish AID	2.31%
Local Faith Based Organisation	6.15%
International Foundation (e.g. the Bill and Melinda Gates Foundation, Ford Foundation etc.)	7.69%
President's Emergency Plan for AIDS Relief (PEPFAR)	5.38%
United Nations (UN)	8.46%
United States Agency for International Development (USAID)	6.15%
Oxfam	3.08%
The World Bank	3.85%
Other (specify)	10.00%
Do not know	2.31%
Other funders as indicated by respondents	Organisations getting funding
Africa Women Development Fund	1
AMREF, LVCT	1
CARE International & CARE International in Uganda	2
CEWIT-Public Affairs Centre Of Uganda	1
Children's Investment Fund Foundation (CIFF) and the ENDFUND	1
CIDA through Save the Children International in Kenya	1
City Of Bristol College in the UK	1
Civil Society Fund, HOPEHIV, NED, Democratic Governance Facility	1
Confidential	1
Foundation For Civil Society	1
Global Peace Foundation	1
ICCO/KerkinActie	1
Individual donors	1
Individuals , Director funding the project 90/percent	1
One Zoo German and Private	1
Slovak Aid and individuals from Czech and Slovak Republic	1
Uganda Government	1

4.5 The Board and Management

This section addresses the organisation's management in terms of inception and its day to day management.

4.5.1 Founding information and documentation

Each country has put forward minimum requirements detailed in legislation that NGOs need to meet in order to be registered and benefit from certain breaks such as tax exemption. According to the; Non- Governmental Organisations Co-Ordination Act, No.19 of 1990 of Kenya; the National NGO Policy, 2010 of Uganda; and the Non-Governmental Organisations Act, No.24 of 2002 of Tanzania there are a set of minimum standards that each NGO has to meet in order to qualify for registration. Of the various registration requirements, each organisation is not only supposed to have applied for and obtained a registration certificate but must also have a constitution or founding document in place. A total of 97.87% of the organisations surveyed had a constitution in place while 2.13% did not know whether the organisation had a constitution or not. It can be assumed that 100% of the organisations surveyed did indeed have a constitution or else they would not have been registered, since the list of participants was obtained from the register of the respective NGO coordination board in each of the three countries which is the body in charge of ensuring that all organisations registered meet the minimum standards set out in legislation. This inconsistency could also be explained by the quality of data, given that the list of NGOs used was from a database that was last updated over 5 years before.

The founding documentation and articles of incorporation's creation was surveyed. The majority of respondents, 75% reported that their founding document was created by locals while 10.42% reported it being a result of a partnership between local and foreign nationals. Furthermore, 6.25% reported that these documents were created by foreign nationals and 4.17% reporting them being a result of collaboration between locals, foreign nationals and other unspecified individuals. The remaining 4.16% reported the documents were either written by unspecified individuals or did not know who wrote these documents, with table 6 below being a diagrammatic representation of the statistics above. Since majority of the organisations were founded by locals as seen by the founding documentation as per the results it can be concluded that the NGOs were started by locals in response to a certain need within their respective communities. These results confirm those of Kamari-Mbote (2002) and REPOA (2007) who reported that majority of the NGOs currently working in East Africa arise in response to a need or a gap identified or experienced within the specific communities.

Table 6: Party responsible for the creation of founding documentation

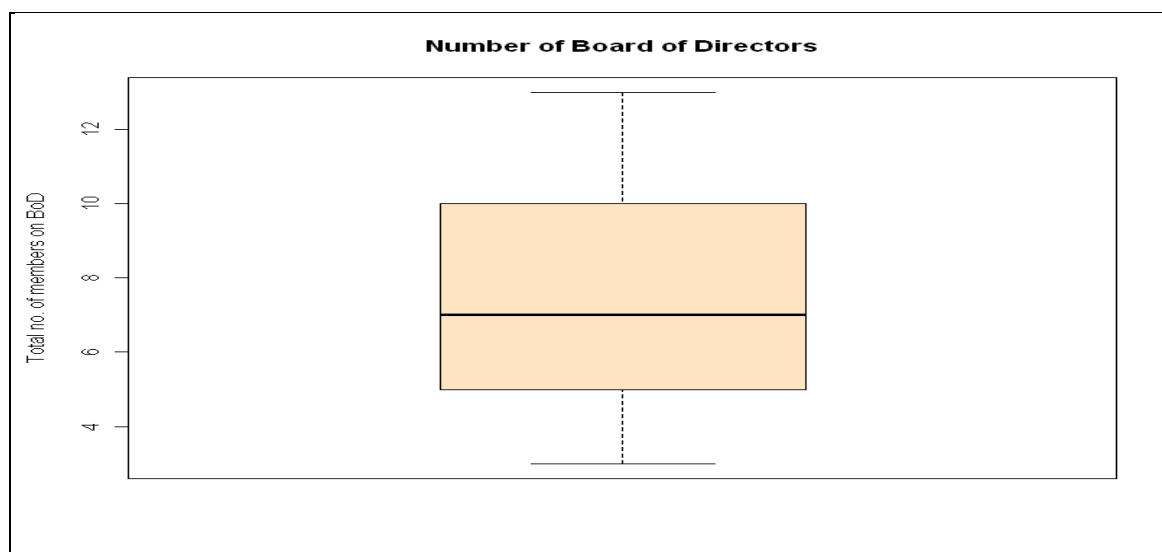
Person primarily responsible for the creation of founding documents	% of organizations
Do not know	2.08%
foreign national(s)	6.25%
local(s)	75.00%
local(s) and foreign national(s)	10.42%
local(s),foreign national(s), Other	4.17%
Other	2.08%

4.5.2 Board and Management

As put forward in the respective legislations, all NGOs need to have a board of management or board of directors in place to oversee the overall management and running of the organisation. The majority of organisations, 93.75%, reported having a board of management, while 4.17% reported having none in place and the remaining 2.08% reported being unsure about having a board of management. The results indicate that the organisations surveyed do indeed meet the minimum legislative requirements to allow them to be registered. However, the ones without the board of management might have been registered as other organisations for example societies which do not require a board of management to be registered as per legislation in the respective countries.

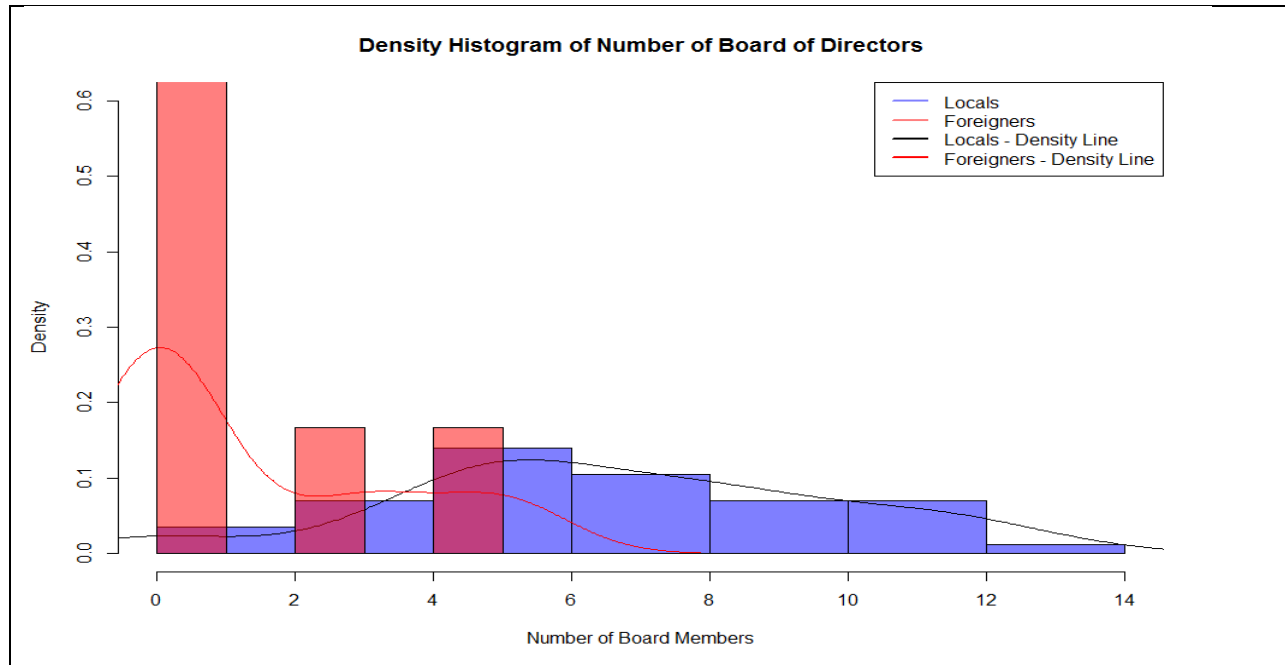
The organisation with the largest number of board members had thirteen (13) while the least had three (3), with the average number of being seven (7), as diagrammatically represented in figure 2 below.

Figure 2: Indication of total number of board of directors



The composition of the board of management was delved into further to enable the researcher establish the nationality of the individuals within this managing structure. The bulk of the organisations have mostly locals as board of management members with as many as 13, while there are few to no foreigners represented on their management structures, as shown in figure 3 below.

Figure 3: Density histogram of composition on board of management by nationality



4.5.3 Reporting Requirements

This section addresses reporting in terms of accounting to the board and other senior management structures on what the organisational leadership does or will be doing that particular funding cycle.

The regularity with which meetings were organised between the management board and the organisational leadership was surveyed. This assessment was done with the aim of helping the researcher understand the degree of autonomy the organisational leadership had in terms of organisational decision making. The majority of respondents that is 70.21% reported having regular update meetings, while 23.40% reported meetings taking place some of the times. The remaining 6.39% reported either never or rarely having these meetings or did not know whether regular update meetings took place with the management boards. The fact that majority of the organisations reported having regular update meetings makes it clear that the management boards play a critical role in terms of organisational activities and running of the organisations. This has both positive and negative implications on the organisation. The positive is that the organisation's

day to day management will be laudable. However, this can also have the effect of demotivation for organisation's staff given that the board in essence would be micromanaging staff.

The role of the management board in financial management was surveyed. The majority of respondents, 76.09% reported that their annual organisational budgets had to always be approved by the management board, while 15.22% reported that the budget had to sometimes be approved by the board. Furthermore, 4.35% reported that their annual budget was never approved by the management board and the remaining 4.34% reported either that they did not know or rarely had their annual budgets approved by the management board. The organisational finances are very important since no activity can take place without these being available. From the results it is clear that the management board of majority of the organisations has the final say over the financial management and can essentially stall the activities of the organisation should the annual budget not meet their minimum requirements.

The degree of involvement of the management board with regards to decision making was also surveyed. The majority, 86.96%, reported having to always consult the board before making any decisions whether they be programmatic or operational. The remaining 13.04% reported rarely having to consult their respective boards of management when making decisions around programming and operations. This result again shows the little level of organisational autonomy that exists, where the board essentially dictates what the organisation should focus its programming efforts on. This is problematic as the organisation then ends up advancing the agenda of their board of management at the expense of their constituents and initial inception mandate.

The role of the management board in staffing was assessed. The majority of respondents, 59.09%, reported having to always consult the board on all decisions with regards to staffing which includes recruitment, selections and dismissals, while 25% sometimes made consultations. A further 9.09% reported rarely having to consult their management boards when making staffing decisions and the remaining 6.82% either never or did not know if they had ever consulted their boards of management when making staffing decisions. Again revealing the little autonomy organisational management had with regards to institutional management.

From the results above it is clear that the management boards have taken a hands on approach to administration of these NGOs. These boards have gone over their inceptions' mandate as put down in law by the various countries, where they are only meant to take up overall oversight and be consulted for overall decision making and not for the daily running of the organisations. It can therefore be assumed that the degree of control of the management board with regards to organisational decision making is very high, where these boards have to always approve the decisions made by the organisation's management. This can be detrimental to organisations such as NGOs who are project based and have to keep carrying out activities on an almost daily basis and need decisions made quickly or else everything ceases to move forward.

Furthermore, the high level of board involvement may also point to the lack of knowledge by the NGOs of the legislation that govern organisation and management board relations, and requirements and roles both parties must fulfil (NGO Code of Conduct, No. 306 of 1995, 1995; NGO Registration Regulation, No.10 of 2009; Non-Governmental Organisations Act, No. 24 of 2002).

4.5.4 Board meeting arrangements and decision making

The composition of the management board’s meetings was surveyed, with the majority of respondents, 42.11% reporting local board members having separate board meetings while 23.68% reported having combined meetings with both local and foreign funders attending. Likewise 5.26% reported having local and foreign board members attending separate meetings while 2.63% reported local and foreign nationals holding combined board meetings and the remaining 23.68% reported there being other arrangements for management board meetings as illustrated in table 7 below.

Table 7: Management board meeting arrangements

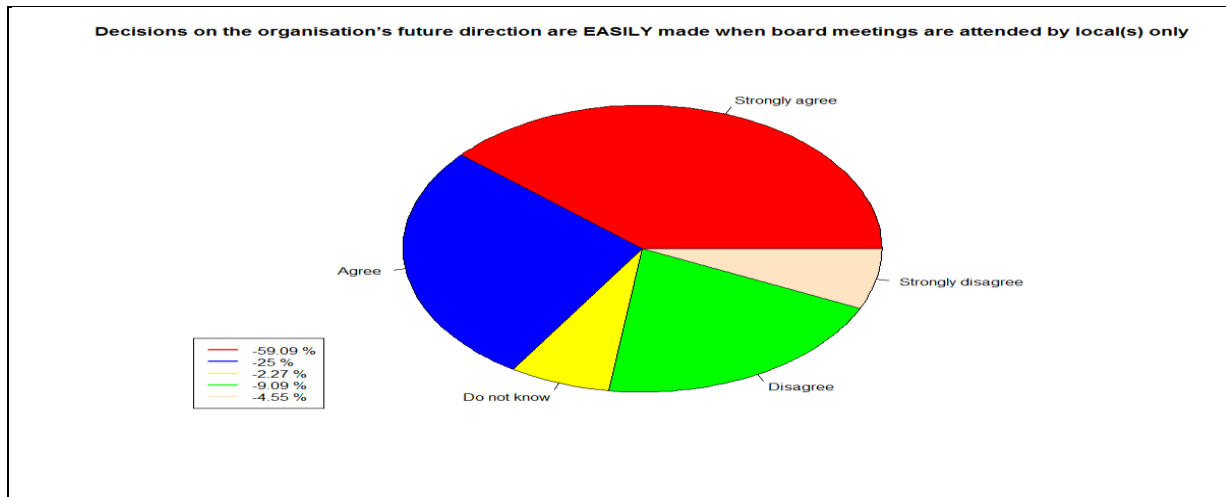
Board Meetings	% of organizations
Combined board meetings are held for local(s) and foreign national(s)	23.68%
Foreign national(s) have separate board meetings	2.63%
Local(s) have separate board meetings	42.11%
Local(s) have separate board meetings, Combined board meetings are held for local(s) and foreign national(s)	2.63%
Local(s) have separate board meetings, Foreign national(s) have separate board meetings	5.26%
Other	23.68%
Other meeting arrangements as indicated by respondents	
all board members are locals	5
All Board Members to attend quarterly Board meetings	1
Board members have meetings	1
Locally we have a senior management team; at HQ the board membership is international	1

The ease with which decisions on the organisation’s future direction were made as well as the degree to which the composition of the board played a part in terms of the management board was surveyed. The majority of respondents, 65.91%, reported decisions being easily made when management board meetings were attended by locals only, while the remaining 34.09% disagreed, as illustrated in figure 4. It can therefore be assumed that decision making is easier when the management board is comprised of locals since they are more aware of the constituent’s needs; hence do not need much convincing when discussing issues pertinent to organisational management and decisions.

The researcher then wanted to establish whether there was a change in decision making ability for the respondents if the management board comprised of foreign nationals. The majority of respondents reported

that foreign nationals had to either always or sometimes attend management meetings, 58.92%. Similarly, 23.53% reported foreign nationals never attending board meeting, while 11.76% reported that they rarely attended meetings and the remaining 5.88% did not know if foreigners attended management board meetings. Despite foreign nationals ensuring that they attended management board meetings, the results show that they are less dominant in comparison to their local counterparts hence organisations can be assumed to have an easier time when it comes to passing resolutions in board meetings. This finding is of particular interest as it contradicts the research assumption made that NGOs worked according to pre-set objectives that they had developed. The organisations do work according to pre-set objectives but these are set by the funder (in this instance) and not the organisation, showing the level of control exerted by the latter and the former’s acceptance of this as they are in need of quick decisions being made.

Figure 4: Decision making ease when only local board members attend meetings



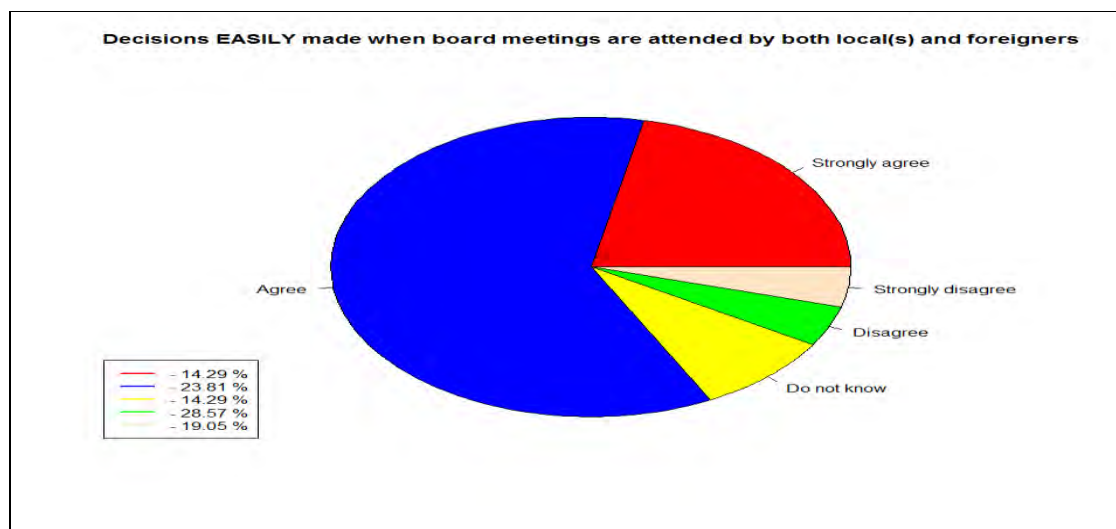
The degree of foreign influence on board composition was also surveyed. The majority of respondents that is 64.70% reported that foreign nationals either never or rarely signed off on proposed new local board members. Consequently, 35.29% reported that foreign nationals always had to sign off on proposed new local board members. The results show that foreign influence in terms of board composition is minimal with not much interference in organisational processes such as selection of new management board members.

Decision making ability once again came into question with 38.10% reporting that decisions on the organisation’s future direction were either always or sometimes easily made when board meetings were attended by foreign nationals only. Subsequently, the majority 47.62% disagreed that decisions were easily made if only foreign nationals attended board meetings while 14.29% did not know if decisions were easily made. Despite the fact that foreign nationals indicated that they rarely interfered with board member selection, the opposite is true with decision making. The results show that when the management board meetings are comprised of foreign nationals only, decisions are harder to reach. This difficulty could be

explained by the fact that foreign nationals take a longer time to understand the state of things hence need to be explained for in much more detail resulting in the delay. Furthermore, the result contradicts the research assumptions made where it was assumed that board membership decisions were made by the organisation's leadership. However, based on these findings, the board membership is funder dictated meaning that funders continue to exert their control and maintain their position of authority, which can be seen as them ensuring that the organisations continue to be dependent on them.

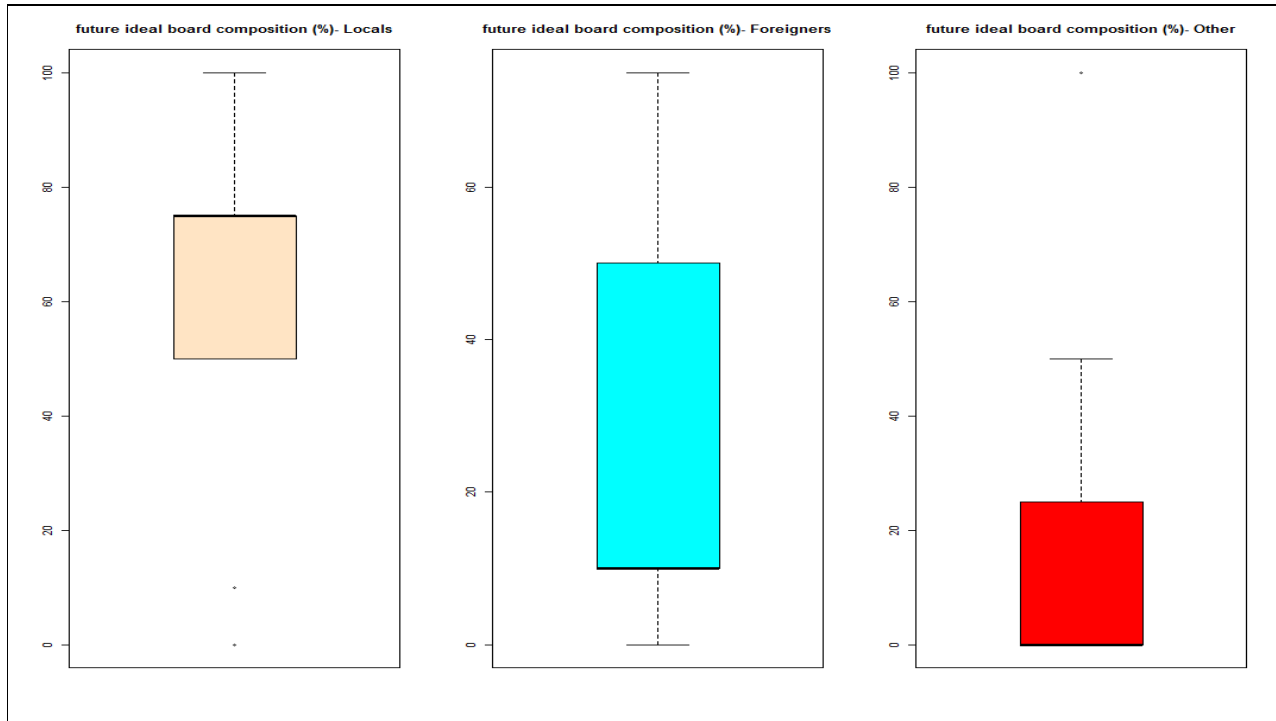
Finally decision making ease with both foreign and local board members was surveyed. The majority that is 82.61% reported that decisions were easily made when board meetings were attended by local and foreign nationals, while 8.7% disagreed and the other 8.7% did not know if decision making was easier, as diagrammatically represented in figure 5 below. It can therefore be concluded that the mix of board composition is easier for organisation management to handle. As the local board members help explain the state of things on the ground while the foreign nationals catalyse the interaction between the organisation and local board members, hence reducing the amount of time within which decisions are made.

Figure 5: Ease of decision making when meetings attended by local and foreign board members



When asked to describe their ideal board composition, the majority of responses indicated that they preferred to have a board made up of on average of 75% locals with only 25% foreign representation. When asked if they had another board composition in mind there were no responses provided. These results are reflected in figure 6 below, where the orange block represents the local ideal board composition and the light blue reflects the ideal foreign board composition. From the result it is clear that NGOs would like to be locally managed with little to no foreign interference. However, the fact that they are extremely dependent on foreign sourced donor funding is an issue as the management board will still have foreigners in it, as these persons will have to protect their financial interests.

Figure 6: Representation of the ideal board composition

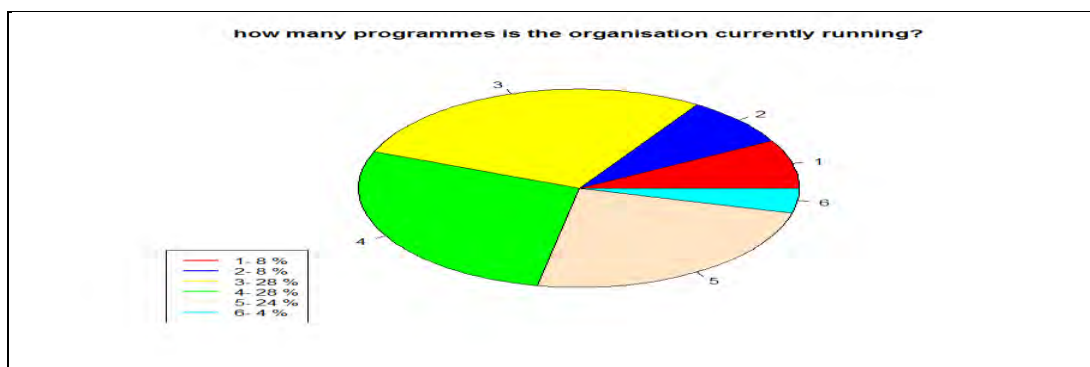


4.6 Programmes

This section addressed the programmes the organisation ran at the time of administration of the survey. The researcher wanted to understand the staffing makeup as well as the programmatic trends as relates to sourcing, acquisition and retention of funding.

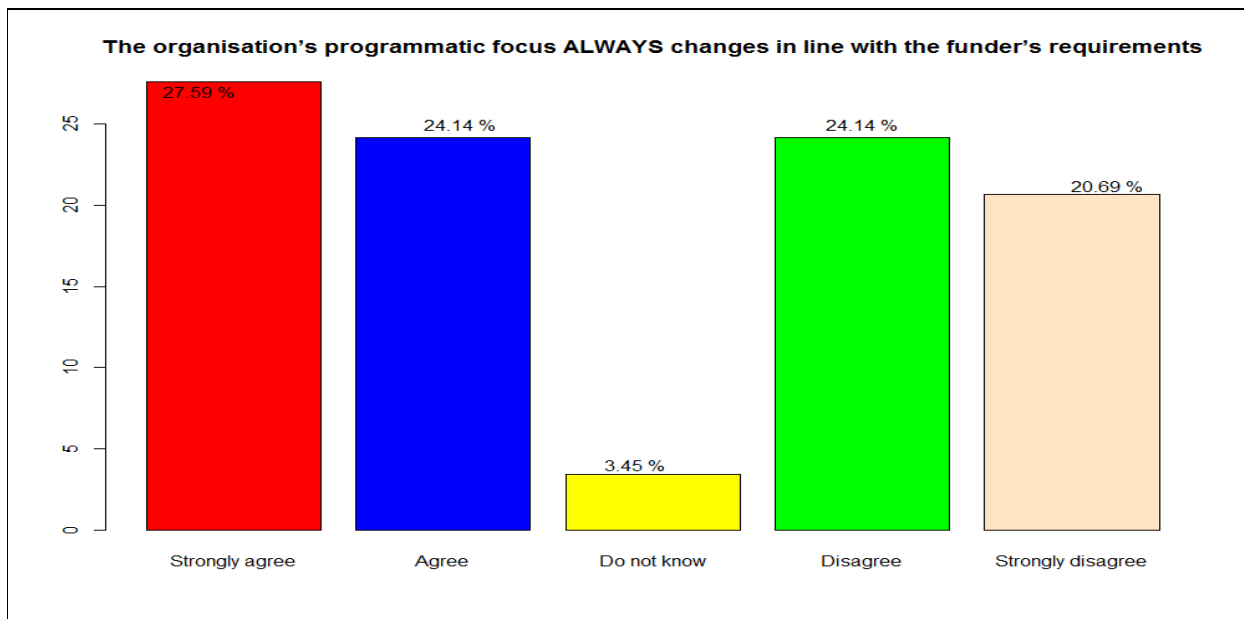
The number of programmes the organisations ran was surveyed. The majority that is 82.76% reported offering specific programmes while 6.9% were unsure of the programmes they offered and 10.34% did not know if their organisations offered specific programmes, as shown diagrammatically in figure 7. This result can be explained in part by the researcher having respondents other than the director, board member or person aware of the organisation’s finances responding to the survey.

Figure 7: Indication of the number of programmes offered by the organisation



The organisation’s ability to shift programmatic focus in line with the requirements of the funder(s) was surveyed. The majority, 51.73%, reported that their organisation’s focus always changed in line with the funder’s requirements while 44.83% reported that their organisation’s focus did not always change in line with the funder requirements and the remaining 3.45% reported that they did not know if their organisation’s focus changed, as represented in figure 8. From the results it can be said that the programmatic focus of the organisations is dictated by the funder’s needs at that point in time. The dependency of the organisations seeking funding is clearly seen in this result where non-profits are at the mercy of the funders and hence it is assumed that they then advance the agenda of the funders to the detriment of their own agenda. Therefore donor dominance is heavily evident in this case, as well as the dependence of the non-profits on them. This result confirms AbouAssi’s (2012) results which found that NGOs in developing countries relied heavily on the foreign donor with heavy donor dominance present. Additionally, the fact that funders dictate the organisational agenda confirms the fact that most if not all donors have their own agenda; where their own views in terms of which problems they consider important as well as what they deem to be the best intervention strategies to address the problems (Viravaidya&Hayssen, 2001:1). Therefore the non-profits are essentially being compelled to ‘follow the money’ by allowing donors to dictate the direction and scope of activities to receive funding as reported by Viravaidya and Hayssen (2001:1).

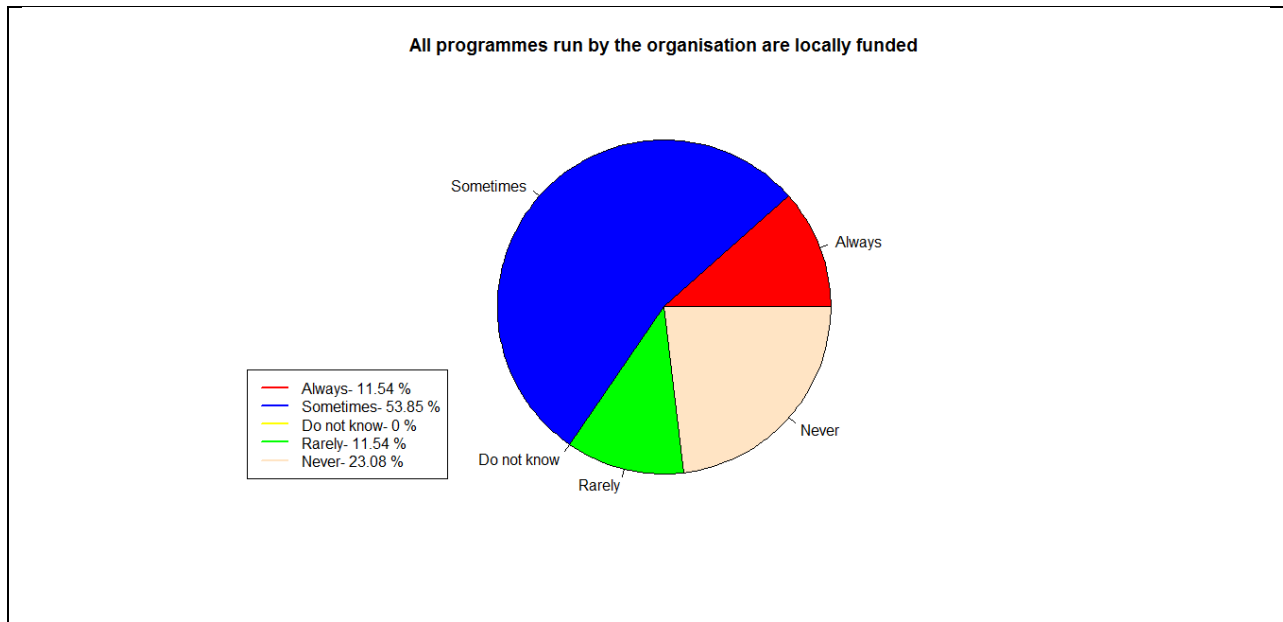
Figure 8: The organisations shifting programmatic focus to meet funder's requirements



The party responsible for the funding of the organisation as well as the place from which they were from was surveyed. The majority, 70.39% reported that all programmes they ran were locally funded while 11.54% reported that their programmes were rarely locally funded and the remaining 23.08% reported that all their programmes were never locally funded, as shown on figure 9 below. The result indicates that majority of the

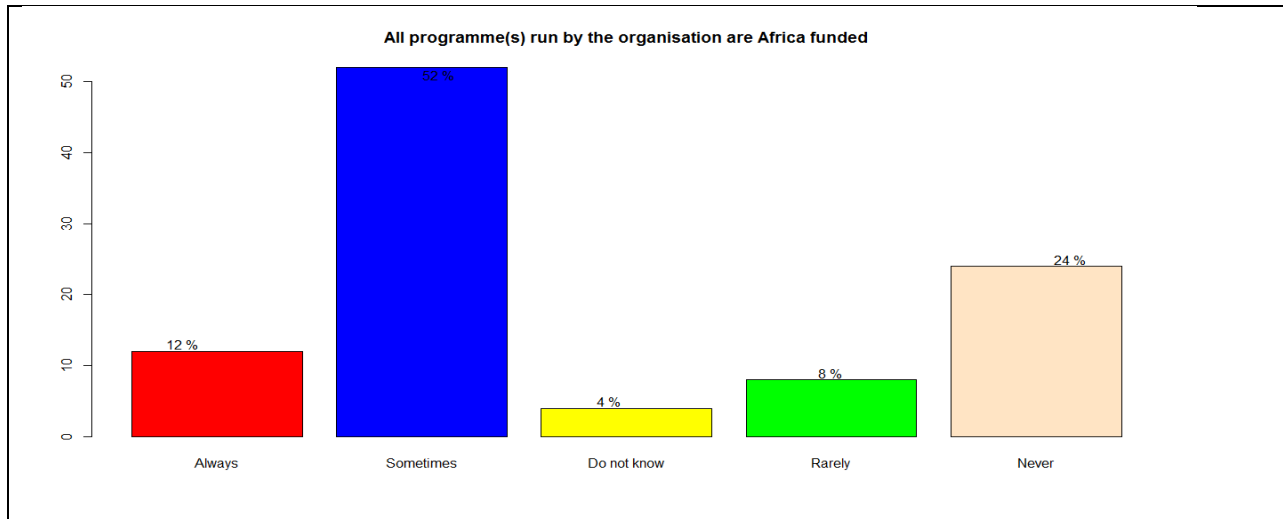
non-profits receive funding from local funders. This is in contradiction to earlier results where majority of respondents indicated that they received funding from outside Africa. The researcher can conclude from the contradiction that the organisations themselves do not seem to have a clear understanding of what is happening within their own organisation where funding is concerned. This paints a grim picture as it would indicate that the organisation in itself has lost sight of what programmes to run given the demands placed on them by funders to perform and instead advances whatever agenda each funder comes with at the time. This finding again contradicts the assumption made that the NGOs develop their agenda solely or jointly with the funders, as this indicates that this is actually not the case. The funder is the one responsible for the development of the programmes hence the organisation just implements, thus calling into question that ability of the organisation to serve its constituents and what that then means for their future programming.

Figure 9: Indication of all organisational programmes being locally funded



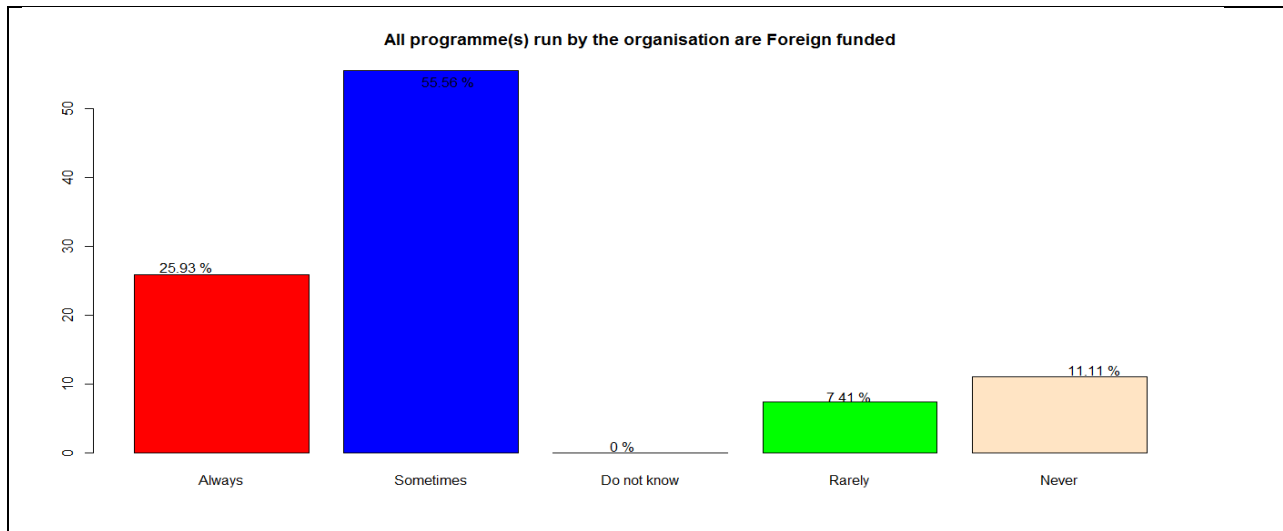
The funding aspect was surveyed further, with the researcher wanting to establish if all programmes run by the organisation were always Africa funded. The majority, 64% reported that all programmes run by the organisation were always Africa funded, while 8% reported that all programmes were rarely Africa funded and 24% reported that all programmes run by the organisation were never Africa funded with the remaining 4% reporting that they did not know, as shown in figure 10 below. This result is consistent with what was earlier reported where organisations indicated that they sourced a substantial amount from within Africa.

Figure 10: All programmes run by the organisation are Africa funded



The funding aspect was again surveyed, this time with respect to foreign funders and their role in programme funding. The majority, 81.49% reported that all programmes run by the organisation were always foreign funded, while 7.41% reported that all their programmes were rarely foreign funded and the remaining 11.11% reported never being foreign funded, as shown in figure 11. This result is an accurate representation of the report given where respondents indicated having majority of their programmes being funded by foreign donors. This is similar to the reports in NGOSI (2009) where it was found that East African NGOs were mainly funded by international donors and agencies.

Figure 11: All programmes run by the organisation are foreign funded



The results above indicate the reliance of non-profits on donor funding. All programmes run by these organisations were funded by a donor irrespective of location. This shows the cycle of dependence that exists within the NGO sector where they are unable to come up with their own programmes to produce funds and instead rely solely on foreign funders for their funding. Donors therefore continually shift their priorities and requirements and non-profits either have to comply or risk closure as described by Doornbos (2003). Consequently, NGOs are left in a situation where they have to figure out how they might meet the criteria underlying the donor's latest preoccupation (Doornbos, 2003:15). This then leads to a situation of overt or total dependence on donors by NGOs for their existence. However, the trend in contradiction of reporting where funders are concerned is perplexing as it paints a picture of organisations that are not fully aware of what is going on with regards to funding in their own organisations. Which then poses the question of how effective these organisations are in their administration of programmes given management's lack of awareness of their funding sources.

Respondents reported setting annual programme objectives with the majority, 89.66% reporting in the affirmative while 6.9% reporting not setting annual objectives and the remaining 3.45% reporting that they did not know if annual objectives were set. This is an indication of organisations that have a level of organisation as they have a clear set mandate for annual working periods, which is good.

4.6.1 Local funders and programming

The frequency with which local funders assessed programmatic progress was surveyed. The majority, 83% reported that local funders visited the organisation to assess and review programmes funded by them while 14% reported that local funded did not regularly visit the organisation and the remaining 3% did not know if local funder regularly visited. It is clear from the results that local funders keep a close eye on the programmes they fund as majority of the respondents report having regular visits from these funders.

The frequency of the update meetings as well as the party that sets the agenda for the meetings with local funders was also surveyed. The majority, 82% reported that they had regular update meetings with the local funders who conducted the review process while 12% reported that they did not have regular update meetings, and the remaining 6% reporting that they did not know if update meetings took place. Subsequently, 58.62% reported that the local donors set the agenda for the meetings, while 31.03% reported that local donors did not set the agenda and the remaining 10.34% reported that they did not know. Furthermore, 10.34% reported that the review meetings took place annually, while 20.69% reported that they were held bi-annually and 31.03% reported them taking place quarterly. Additionally, 6.9% reported monthly progress meetings while 17.24% reported their not being any progress meetings taking place while 13.79% reported other arrangements being made, as shown in table 8 below. The results show that local funders maintain a close eye not only on the organisation as shown earlier in the management board section but on the programming as well. This then calls the issue of autonomy into question as the NGOs from the results can be seen to have little to no independence both managerially or programmatically. This then raises

questions around programming and the effect these programmes have on the constituents given the level of local funder dominance. This result further contradicts the assumption of joint agenda setting, as it is clear that funders dictate the agenda and programming aspects therefore the organisations have no autonomy whatsoever but are mere ‘actors’ who advance the funder’s cause.

Table 8: Frequency of review meetings

Frequency of meetings	% of organizations
Annually (yearly)	10.34%
Bi-annually (every six months)	20.69%
Quarterly (every four months)	31.03%
Monthly	6.90%
Not applicable	17.24%
Other (specify)	13.79%
Other as indicated by respondents	
After every three months	1
By chance when we receive funds	1
It differs from one project to another	1
When needed	1

From the results above, it is clear that donor monitoring is prevalent in terms of organisational programming. Local donors seem to have a stringent reporting system as well as regular update meetings on a quarterly basis. The level of autonomy of the organisations from the results is therefore very minimal with organisations being more accountable to their donors than to the constituents who they are supposed to serve. Therefore these organisations end up being mere shells through which donors are able to advance their agenda. This accountability aspect confirms the findings of Ebrahim (2003), Edwards and Hulmes (1998) and Odembo (2012) who reported the issue as NGOs becoming predominantly accountable to donors who control and determine funding priorities, and not their mission and values which should essentially be guiding their activities or the constituents they serve.

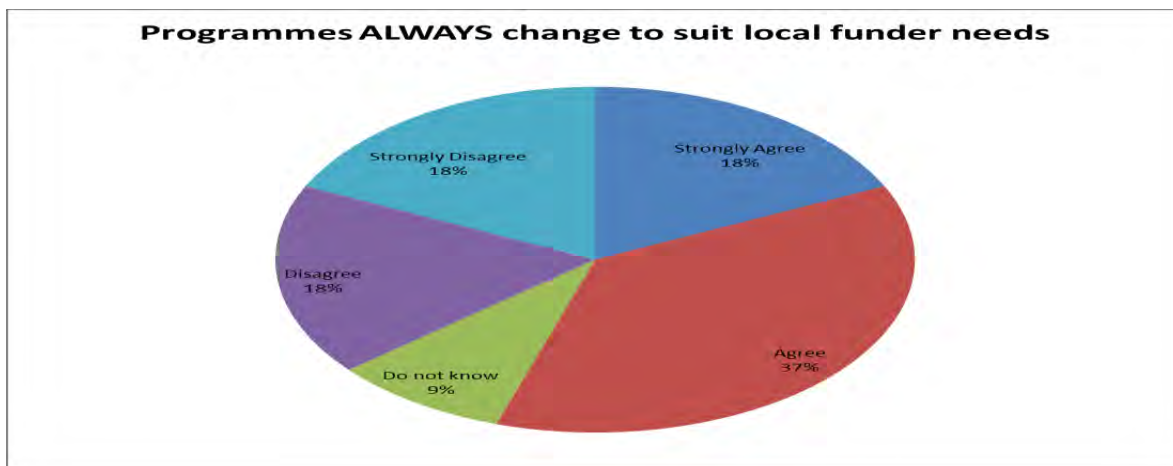
The annual programme plans and their authors were also surveyed. The majority, 48% reported that their annual programme plans were written by local funders while 47% reported that this was not the case and the remaining 5% reported that they did not know who was responsible for writing the annual programme plans. Despite the slight difference, it is still clear that donor dominance is still present. The fact that local donors write the annual programme plans means that they dictate the programming of the NGOs, leaving these to either follow suit and do as required thus having to adjust priorities and catch up with the ever changing donor requirements and needs or risk losing funding should they refuse to comply. This result is similar to the findings of Doornbos (2003) who stated that donors continually alter their strategic objectives leaving the

NGOs lagging behind in their plans as they try to understand and adapt to the ever changing needs of the donors.

The researcher found it surprising that majority of the respondents, 80% reported that the programmes developed by local funders did not always meet the needs of the community the organisation served while 20% reported that the programmes developed by local funders always met the needs of the community the organisation served. This is an interesting finding given the fact that the donors are locally based and should therefore be well in touch with the needs of the immediate community which the organisation is supposed to serve. This means that despite being local from the area albeit not the immediate surrounds, donors still create and push for their own agenda regardless of the needs of the organisation and its constituents. This then creates a dependency trap, where NGOs take the role of the periphery while the donors are the core, where the former is geared towards the advancement of the latter at the expense of their own development.

The programmes run by the organisation and the regularity within which they change and the reason for this was surveyed. The majority, 55% reported that the programmes the organisation ran always changed to suit the needs of the local funder at the time while 36% reported disagreement with the change in the programming and the remaining 9% did not know if the programmes changed with funder needs, as diagrammatically represented in figure 12 below.

Figure 12: The organisation's programmes always change to suit the needs of the local funder

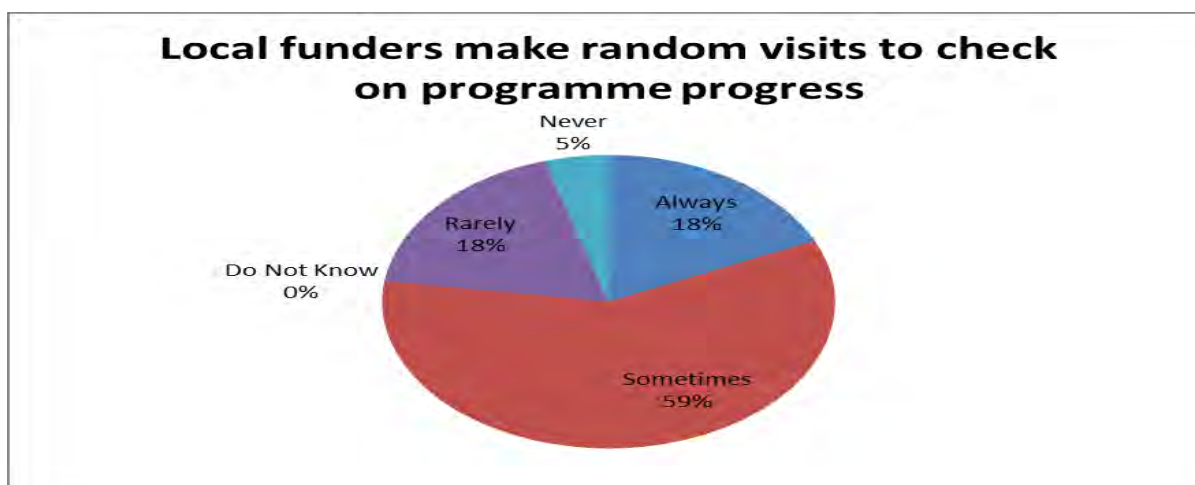


The precarious situation in which NGOs in East Africa are in at present is readily apparent, as they seem to exist on a programme to programme basis where their priorities and focus areas shift depending on the local funder at the time. This means that NGOs have altered their mandate so many times that their organisational identity that is their initial vision and mission lose meaning, as they do not fulfil these anymore but have instead become instruments of channelling funds running programmes dictated by funders.

The majority of the respondents, 46% reported that programmes aimed at the immediate community where the organisation was located were not solely funded by local means while 37% reported that their programmes aimed at the immediate community were funded by local means and the remaining 17% reporting that they did not know who funded the programmes aimed at the immediate community. This result shows that foreign funders are indeed responsible for the funding of the programmes aimed at the immediate community despite previous reports indicating that locals were the major funders of programmes run by these organisations. This result contradicts the local funders being majority funders while it confirms the reports that foreign funders were the main sources of funding for organisational programmes. This again calls into question the knowledge of the organisations as it seems that they are themselves unsure of what is taking place.

The tendency to make random visits by funders was surveyed. The majority 77% reported that local funders made regular random visits to check on programme progress while 18% reported local funders rarely making random visits and the remaining 5% reporting that local funders never made random visits to check on programme progress, as shown in figure 13. This result indicates the degree of monitoring that goes on within the sector by local funders. Despite providing funding and trusting that the funds are being used for what they were meant for, funders go the extra mile and continually monitor the progress of the programme run by the NGOs. This then calls into question why the funders actually give funding to these NGOs when they keep monitoring what is happening, they in essence should have kept the funding and channelled it elsewhere instead.

Figure 13: Indication of random visits made by funders



The researcher also surveyed the frequency and notice period provided before visits. The majority of respondents, 87% reported local funders providing notice before making visits to the organisation to check

on programme progress, while the remaining 13% reporting that local funders rarely made random visits to check programme progress. The degree of monitoring by local funders continues to be evident as they continue to check on the organisation's progress despite having regular scheduled organisational progress meetings. Organisational autonomy is minimal at best given the fact that funders keep visiting the organisation therefore hindering the organisational internal processes from taking place.

Approval of programmes by local funders was surveyed. The majority of respondents, 85.71% reported that local funders always approved programmes that they would fund, while 9.52% disagreed that local funders always approved programmes they would fund and the remaining 4.76% reporting that they did not know if local funder had to always approve the programmes they would fund. This means that the NGOs become the conduits through which the local funder's agenda is advanced as they always have to approve the programmes that these organisations run. The NGOs therefore become mere shells through which funder advance their agenda leaving their own programmes and inception mandate unmet hence a gap between the work they were initially created for versus the work the local funder wants them to do.

However, when respondents were asked about the local funder's knowledge of the community needs, the majority of the respondents 90.91% agreed with the fact that local funders were better informed on what the local community service needs were while the remaining 9.09% disagreed about the extent of local funder knowledge of community needs. Furthermore, the majority of respondents 71.43% reported that local funders knew what was best for the organisation in terms of what programmes that organisation should be taking on and run while 23.79% disagreed that funders knew what programmes the organisation should run and the remaining 4.76% not knowing if funders knew what programmes were to be implemented. These results are however contradictory as respondents earlier reported that the programmes implemented by local funders did not meet the needs of the local/immediate community which they served, despite the report currently where local funders are said to be better informed on the service needs of the local community. This implies that the programmes that local funders implemented would not meet the needs of the immediate community the organisation serves despite organisational perception of funder knowledge of community needs. Again calling into question the knowledge that the organisational leadership has with regards to funders and programming.

The issue of control was surveyed. The majority of respondents, 55.17% strongly agreed that local NGOs should never be controlled by foreign nationals while 27.59% strongly disagreed that local NGOs should never be controlled by foreign nationals and the remaining 17.24% did not have an opinion on this. This statement is contradictory given the fact that majority of the organisational funding was foreign from outside of Africa, meaning that control would still be exerted by foreign nationals as they were the ones with the 'purse'.

4.6.2 Foreign Funders and programming

The degree of funder influence and control on programme development and agenda setting is explored further but this section addresses the foreign funder.

The regularity of visits by foreign funders was surveyed, with 48.28% reporting that foreign funders regularly visited the organisation to review progress of the programmes funded by them. Furthermore, 34.48% reported that circumstances dictated whether foreign funders regularly visited, while 10.34% reported foreign funders not being regular visitors assessing programmes progress and the remaining 6.90% reporting not knowing if foreign funders regularly visited the organisation to review programme progress. The majority of organisations report foreign donor presence with regards to visitation being regular, which is similar to the local funders who often visit the organisations to assess programme progress. Hence similar traits for both local and foreign funders as they both seem to like to keep a close eye on their investments.

The update meeting aspect was also surveyed, with 58.62% of respondents reporting having update meetings with the foreign funder who conducted the review visits, while 18.24% reported that update meetings taking place were dependent on the situation. Furthermore, 16.20% reported that they did not have regular update meetings while the remaining 6.94% reported that they did not know if their organisation had update meetings with the foreign funders who conducted the review visits. Foreign funders still continue to dominate the organisations which they fund by monitoring programme progress by having regular review sessions. These foreign funders have similar characteristics as local funders who like to ensure that they get 'more bang on for their buck' by having regular visits and conducting review visits to keep track of programme progress.

The majority of respondents, 62.07% reported that foreign funders set the agenda of the review meetings while 31.03% reported foreign funders not setting the agenda for the progress meetings and the remaining 6.90% reporting that they did not know if foreign funders set the agenda for the review meetings. This result shows the degree of control funders have over the programmatic aspects of their funding recipients. This is due to the fact that review meetings are supposed to be a session where the organisation provides updates on their work and planned activities. However, in this case foreign funders set the agenda for the reviews meaning that the funder dictates the course of the meeting implying that the NGOs have to fulfil the meeting mandate of the funder and not necessarily their own agenda. This result coincides with that of the local funder who too set the agenda of the review meetings meaning that NGOs primarily follow the funder's requirements.

The frequency of the meetings was surveyed with 17.05% reporting that the review meetings were held annually while 31.67% reported having reviews bi-annually. Whereas 11.02% reported quarterly update meetings with 7% reporting monthly meetings, as 17.05% reported other meeting arrangements and the remaining 17.05% reporting that monthly meetings were not applicable, as shown in table 9 below. Foreign funder meeting frequency is less than that of local funders with majority of respondents stating that the latter

preferred quarterly meetings while the former is more geared towards bi-annual meetings. However, other meeting arrangements were identified by respondents as shown in table 9 below. This indicates that the foreign funder is less dominant compared to the local one as the frequency of review meetings is less. However, this can be attributed to the issue of distance, cost and multiplication of programmes which have to be monitored over vast regions where the foreign funder might not be able to visit as regularly due to being far while the local funder is within the vicinity of the organisation hence can make more regular visits to review programme progress.

Table 9: Frequency of review meetings with foreign donors

Frequency of meetings	% of organizations
Annually (yearly)	17.05%
Bi-annually (every six months)	31.67%
Quarterly (every four months)	11.02%
Monthly	6.16%
Not applicable	17.05%
Other (specify)	17.05%
Other as indicated by respondents	
as need arises but not less than 4 times a year	1
Depending on the donor they are done either bi-annually or annually	1
depends on the project design	1
no meeting with foreign donor	1
Rarely	1
When they require	1

The majority of respondents, 77.27% disagreed reporting that annual programme plans were always written by foreign funders while 22.73% reported that annual programme plans were always written by local funders. This result is thought-provoking given the fact that the opposite was reported with local funders showing that local NGOs do not seem to mind local funders dictating their annual programming, despite majority of their funding being sourced from overseas. This implies that NGOs are not opposed to advancing funder agenda as long as the person dictating this agenda was locally based, despite self-reporting that these same funders did not develop programmes that met the needs of the immediate community the organisation served.

The majority of respondents, 64% reported that programmes developed by foreign funders did not always meet the needs of the community they served while 32% reported that programmes developed by foreign funders always met the needs of the community they served and the remaining 4% not knowing if programmes developed met the community served needs. This result is similar to that of local funders where respondents reported them not being able to develop programmes that met the needs of the community which they served. This result is surprising given the fact that respondents trust local funders to dictate the

programme plans. Albeit, they admit that these funders are unable to develop programmes that meet the needs of the community which they serve.

The ease of change of programmatic focus when a new foreign funder comes in was surveyed. The majority of respondents that is 54.16% disagreed with the statement that the organisation always changed to suit the needs of the foreign funder at the time while 41.67% were in agreement. The remaining 4.17% reported that they did not know if programmes run by the organisation changed to suit the needs of the foreign funder at the time. This result differs from that of local funders where majority of the organisations reported changing their programmes to suit the needs of the local funder at the time as opposed to the foreign funder where majority do not shift their priorities. This result can be assumed to be an indication of the belief that NGOs have in terms of thinking that these local funders have their best interests in mind hence would be more trusting of these rather than foreign funders.

The majority of respondents, 66.67% agreed with and reported that programmes aimed at the immediate community where the organisation was located were solely funded by foreign means while 25% reporting that programmes aimed at the immediate community where the organisation was located were not solely funded by foreign means. The remaining 8.33% did not know if the programmes aimed at the immediate community where the organisation was located were solely funded by foreign means. This result is surprising given the fact that respondents reported that foreign funders were not aware of community needs but these same organisations are willing to have their immediate programme focus' be funded by foreign means. This situation perhaps shows the dilemma in which NGOs are in, as they do believe that these foreign funders do not recognise the needs of their immediate community but cannot fully divorce them from their work given the fact that that is where the money to sustain their operations comes from.

The number of random visits made by foreign nationals to check on programme progress was surveyed, with majority 58.34% reporting foreign nationals making random visits to the organisation to check on programme progress. Likewise 29.14% reported that foreign funders rarely made random visits to the organisation to check on programme progress while 8.33% reported that foreign funders never made random visits and the remaining 4.17% reported that they did not know if foreign funders made random visits to check on programme progress. This result is similar to that of local funders where both make regular visits to check on programme progress. This speaks to the degree of supervision that the organisations are under from funders hence the level of autonomy is very limited. However the degree of supervision can also be interpreted as the little degree of confidence these funders have in the organisations which they fund, as they may perceive the organisation as not being capacitated enough to adequately implement the programmes hence being justified in regularly checking up on the organisation's progress.

Consequently, 36% reported foreign funders always providing notice before making visits to the organisation to check on programme progress while 48% reported foreign funders sometimes giving notice. Furthermore,

8% reported foreign funders rarely making random visits while 4% reported that foreign funders never made random visits and the remaining 4% reporting that they did not know if foreign funders made random visits to check on programme progress. This result is somewhat similar to the local funder who makes visits to the organisations frequently and unannounced to check on programme progress. This can again be linked to funder confidence in the organisations which they fund.

The majority of respondents 76% reported foreign funders always having to approve programmes that they would fund while 16% disagreed and the remaining 8% reporting that they did not know if foreign funders always had to approve programmes that they would fund. This shows the degree of dependence of the NGOs to the funder, where the organisation must run programmes pre-approved by the funder, similar to the local funder result. Funders, be they local or foreign, advance their own agenda which is realised in the programming of the NGOs they fund, meaning that NGOs account primarily to funders instead of the constituents they serve.

The majority of respondents that is 66.67% reported that foreign funders were not better informed on what the local community service needs were while 20.83% reported that foreign funders were better informed on what the local community service needs were and the remaining 12.5% reporting not knowing if foreign funders were better informed. This result is consistent with the views of the respondents thus far on foreign funders. Nevertheless, these organisations still source majority of their programmatic funding from these foreign donors.

The majority of respondents, 72% reported that foreign funders did not always know what was best for the organisation in terms of what programmes the organisation should be taking on and running while 18% agreed that foreign funders always knew what was best for the organisation and the remaining 10% did not know if foreign funders always knew what was best for the organisation. This result is an indication of the NGOs view of foreign funders with regards to programming showing that they were indeed aware of the influence these funders have on their organisations.

Furthermore, 70.84% stated that local NGOs should never be controlled by foreign nationals while 12.5% stated that NGOs should be controlled by foreign nationals and the remaining 16.67% stating they did not have an opinion about NGOs being controlled by foreign nationals. This result is indicative of the attitude local NGOs had of foreign funders, however these very same organisations still heavily rely on these same foreign funders for their survival.

Programming and decisions around it is heavily dominated by funders with the decisions they make being finite. The aspect of dependency is clear here with funders putting forward the agenda and NGOs blindly implementing these agendas in order to keep their doors open, therefore surviving on a programme to programme basis. However, local funders seem to have more control over programming than foreign funders

with results showing NGOs being more open to the idea of local funders and their ideas as opposed to foreign funders.

4.7 Perceptions of empowerment versus control

This section looks at decision making with regards to staffing needs as relates to the funding requirements versus prescribed allocations made by these funders.

4.7.1 Local funders: Budgeting, Staffing and Training

Staff development and budgetary allocation to ensure it happens was surveyed. The majority 76.93% of respondents reported that their budget always provided for training of staff while 8.69% reported the budget rarely providing for staff training 6.69% reported the budget never providing for staff training and the remaining 7.69% reporting they did not know if staff training was provided for in the budget. This result indicates the organisation's recognition of the importance of staff development and training with majority of respondents reporting allocating finances towards this very aspect.

The training aspect was further explored with the researcher wanting to establish if previous local funders provided funds for staff development and training. The majority of respondents, 59.09% reported previous local funders sometimes providing funds for staff development and training while 22.73% reported previous local funders never providing funds for staff development. Additionally, 13.64% reported previous local funders rarely providing funds and the remaining 4.55% reporting not knowing if previous local funders provided funds for staff training and development. This result is surprising given that in the previous section it was established that local funders provided the majority of funds. Therefore the fact that these funders were local it would be assumed that they would invest heavily in staff development and training to empower their fellow locals but that does not seem to be the case. This affirms Gunder's dependency theory where the core (funders) actively under develops the periphery (NGOs) to ensure that they remain dependent on them (not providing staff with training to ensure that they remain in a situation where they are unable to take corrective measures to ensure organisational survival by finding alternate sources of funding).

The aspect of organisational memory and knowledge was also surveyed. The majority, 58.33% reported senior local national staff within their organisation always mentoring local staff members, while 33.33% reported senior local national staff sometimes mentoring local staff members. Subsequently, 8.33% reported not knowing if senior local staff within the organisation mentored local staff members. It can therefore be assumed that organisational memory is preserved given that senior staff do mentor other local staff members hence the skills and important organisational information is transferred to staff and remains organisational property.

The majority of respondents, 47.62% reported all staff members always being mentored by an individual appointed by a local funder while 4.76% reported that this was always the case. Moreover, 23.81% reported all staff members never being mentored by an individual appointed by a local funder whereas 19.05%

reporting rarely having staff mentored by individuals appointed by local funders and the remaining 4.76% reporting not knowing if staff member were always mentored by an individual appointed by a local funder. This shows the importance of staff development. Nonetheless the theme of control continues to come through with local funders still monitoring the staff and organisation by having persons picked by them being mentors within the organisations they fund. This continues to assert Gunder's dependency theory whereby the funders are actively keeping the NGOs from developing by maintaining control over their staff development, by having persons appointed by them as mentors. This then means that the funders dictate what the staff can and cannot learn during the mentoring process hence essentially putting them in a situation in which they have control over knowledge, which the organisation can use to move towards self-sustainability.

The focus of the training provided was surveyed, with 66.66% agreeing and reporting that local funders always provided training focused on skill development for local staff members. However, 23.81% disagreed reporting that local funders did not always provide skills development training while 9.52% did not know if local funders always provided training focused on skills development. This result is contradictory given that it was reported that local funders did not provide for staff development in their funding allocations but respondents now indicate these same funders do provide training focused on skills development. This again calls into question whether the leadership is aware of what is going on within their own organisations.

The issue of education and the importance local funders attached to it was surveyed. The majority, 45% reported local funders always insisting that staff within the organisation have a degree, while 35% reported local funders rarely insisting that staff have a degree. Furthermore, 15% reported local funders never insisting on staff having a degree while 10% did not know if this was the case. The issue of foreign influence and perception in terms of education being the prerequisite to being able to do one's job was established, with funders though local wanting staff to have a degree qualification in order to work within the organisation. This consideration is limiting as it does not consider other aspects such as experience that can qualify one for employment within the NGO and other sectors. This result could then be attributed to local perception of the level of prestige attached to having a degree.

The lines of reporting and accountability were surveyed. It was established that 23.81% of respondents had to always report to local funders while 42.86% sometimes reporting to these funders. Subsequently, 23.81% reported never having to report to local funders whereas 4.76% reported rarely having to report to local funders and the remaining 4.76% not knowing if they had to report to local funders. This result shows a case of intentional development (Bebbington, 2004) where reporting requirements are already laid out since the programmes set up already have specific funder developed goals, leading to a one way relationship as the funder sets objectives and NGOs become implementers of these programmes with an expectation put forward of evaluations and reports to be submitted to these funders (Ebrahim, 2005). The cycle of dependency continues to be evident, with the organisation objectives and programmes being geared towards the fulfilment of funder requirements to the detriment of their own individual agendas and programmes.

4.7.2 Foreign funders: Budgeting, Staffing and Training

Staff development and training was again surveyed with the focus being on foreign funders. The majority of respondents, 50% indicated that previous foreign funders always provided funds for staff development and training while 36.36% reported previous foreign funder's not providing funds for staff development and training and the remaining 13.64% reporting not knowing if this was the case. This result shows that foreign funders do recognise the need to have staff trained.

The majority of respondents, 42.86% reported that senior foreign staff sometimes provided mentoring for local staff while 35.71% reported senior foreign national staff always mentoring local staff members. However, 7.14% reported senior local national staff never providing mentoring for local staff and the remaining 14.29% not knowing if senior foreign national staff mentored local staff members. From the result it is clear that the majority of senior foreign staff do provide mentoring services to local staff members showing that they recognise the need to ensure organisational sustainability and continuity in their absence. This result is similar to the local staff response showing that both foreign and local senior staff members recognise the importance of training and development of junior staff within their respective organisations.

The mentoring aspect was explored further by the researcher, with 55.56% of respondents reporting that all staff members were always mentored by an individual appointed by a foreign funder. Likewise 55.56% reported that all staff members were sometimes mentored by an individual appointed by a foreign funder while 11.11% reported rarely having all staff mentored by an individual appointed by a foreign funder. Consequently, 22.22% reported never having all staff mentored by individuals appointed by foreign funders and the remaining 5.56% reporting not knowing if this was the case. This result is further evidence of the level of control foreign funders have on these organisations whereby even the mentoring aspect is by individuals whom they have preselected. The researcher can therefore assume that the mentor appointed by the foreign funder will advance the agenda of the funder at the expense of that of the organisation. Hence actively keeping the organisation in a position of dependence on the funder as staff are at the mercy of the foreign funder appointed mentor whose agenda is foreign mandated.

The majority of respondents, 66.66% reported that foreign funders had to provide training focused on skills development for local staff members while 28.58% reported that foreign funders did not have to provide training focused on skills development for local staff and the remaining 4.76% reporting not knowing if training focused on skills development was provided. The strong emphasis on skill development is surprising and similar to that reported in the local funder section. This result is very positive and confirms that sustainability of services will be ensured long after the foreign personnel has left the organisation.

The academic qualifications of staff members were surveyed. The majority of respondent, 54.54% reported that foreign funders did not insist that staff within the organisation have a university degree while 36.37% reported that foreign funders insisted that staff within the organisation have a university degree. Subsequently, 9.09% reported not knowing if foreign funders insisted that staff within the organisation have a university degree. This result is interesting and surprised the researcher as it was expected that foreign nationals placed high regard around educational achievement. The result however showed the opposite which can be explained by foreign funders take other aspects such as experience into consideration when hiring staff. This result in comparison to the local funders is also interesting given that local funders insist that staff must have a degree, which is surprising given that local funders would be the ones to take experience into consideration given their understanding of the local environment but it is not the case.

The reporting requirements were also surveyed. The majority of respondents, 66.66% reported that all foreign funded programme staff always reported to foreign funders on programme progress while 23.81% reported that all foreign funded programme staff do not always report to foreign funders and the remaining 9.52% not knowing if this was the case. This result is similar to that of local funders who also require staff to report programme progress and is another instance of intentional development as put forward by Bebbington (2004). This therefore means that both foreign and local funders continue to exert control over programme development and progress as the reporting first happens to the funder and not the constituents of whom the organisation is supposed to serve as also reported by Viravaidya and Hayssen (2001).

The researcher also surveyed the training of local staff. The majority of respondents, 54.55% indicated that foreign funders always provided local staff members with the opportunity to receive further training while 27.27% reported foreign funders did not provide local staff members with the opportunity to receive further training and the remaining 18.18% reporting they did not know if further training opportunities were provided. The result is an indication of foreign funder commitment to develop staff and build local capacity.

Given the strong emphasis on local staff development and capacity building reported above, it was not surprising that 85% of respondents reported that local staff were capable of replacing foreigners should they leave the organisation. Whereas, 10% reported that local staff were not capable of replacing foreigner should they leave the organisation and the remaining 5% reporting not knowing if local staff were able to replace foreigners were they to leave the organisation. This report shows that local staff have been capacitated enough to the point of being able to replace foreign staff. This then raises the question of the need for having foreign staff present if local staff can fulfil the roles of foreign staff members.

4.8 Organisation Finances and Fundraising Ability

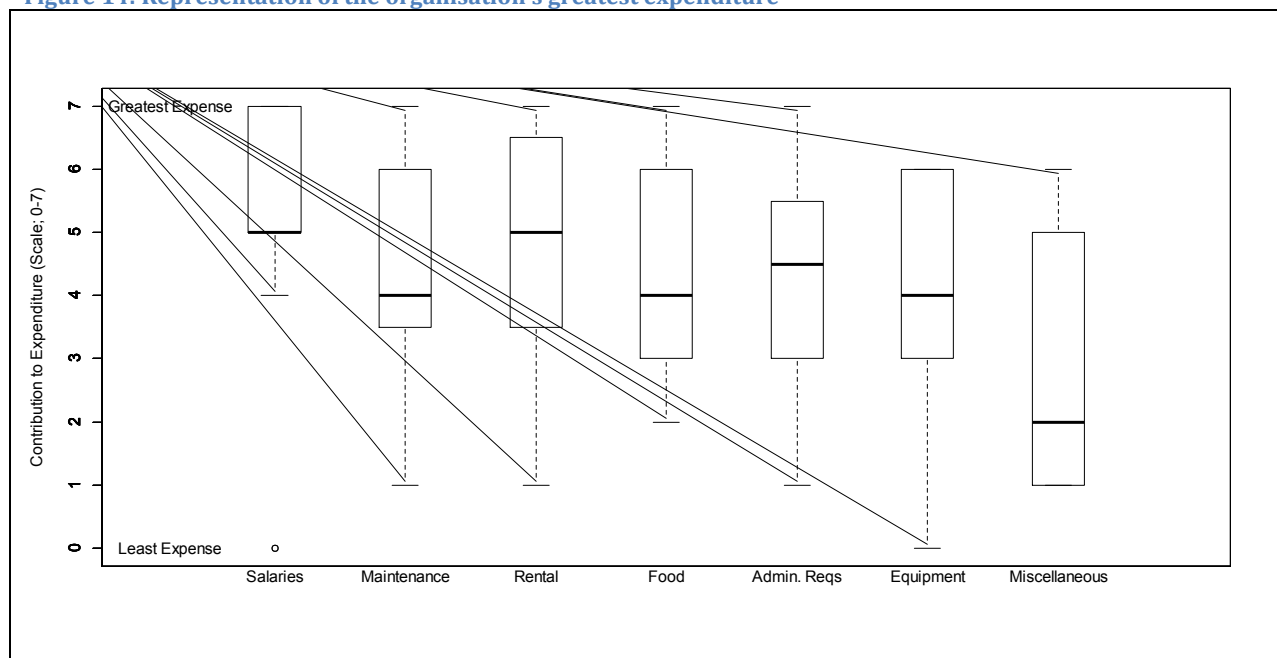
This section has to do with the organisation's self-reported financial position and its fundraising ability.

The majority of respondents, 57% reported that their organisation's financial position was not very good while 37% reported that their organisation's financial position was very good and the remaining 6% not

knowing what their organisation’s financial position was. The precarious financial position of NGOs comes into play yet again with majority of the respondents reporting poor financial standing. This result indicates the degree of dependency on funders both local and foreign for organisational sustainability confirming the findings of REPOA (2007), Fowler (1992) and Viravaidya and Hayssen (2001) who found that NGOs are heavily reliant on donor funding for sustainability.

The greatest expenditure as reflected in the organisations’ last audited financial statements as self-reported by the respondents was surveyed. Salaries were the most dominant expense on average among the respondents. Miscellaneous expenses were the least prevalent expenses. Maintenance, rental and equipment costs had the greatest variability from NGO to NGO, as reflected in figure 14 below. The most prevalent expenses namely salaries and rental are operational expenses of which most funders do not provide funding, confirming the finding of Smit (2005) who found that operational expenses were the most difficult to fund raise for and obtain.

Figure 14: Representation of the organisation's greatest expenditure



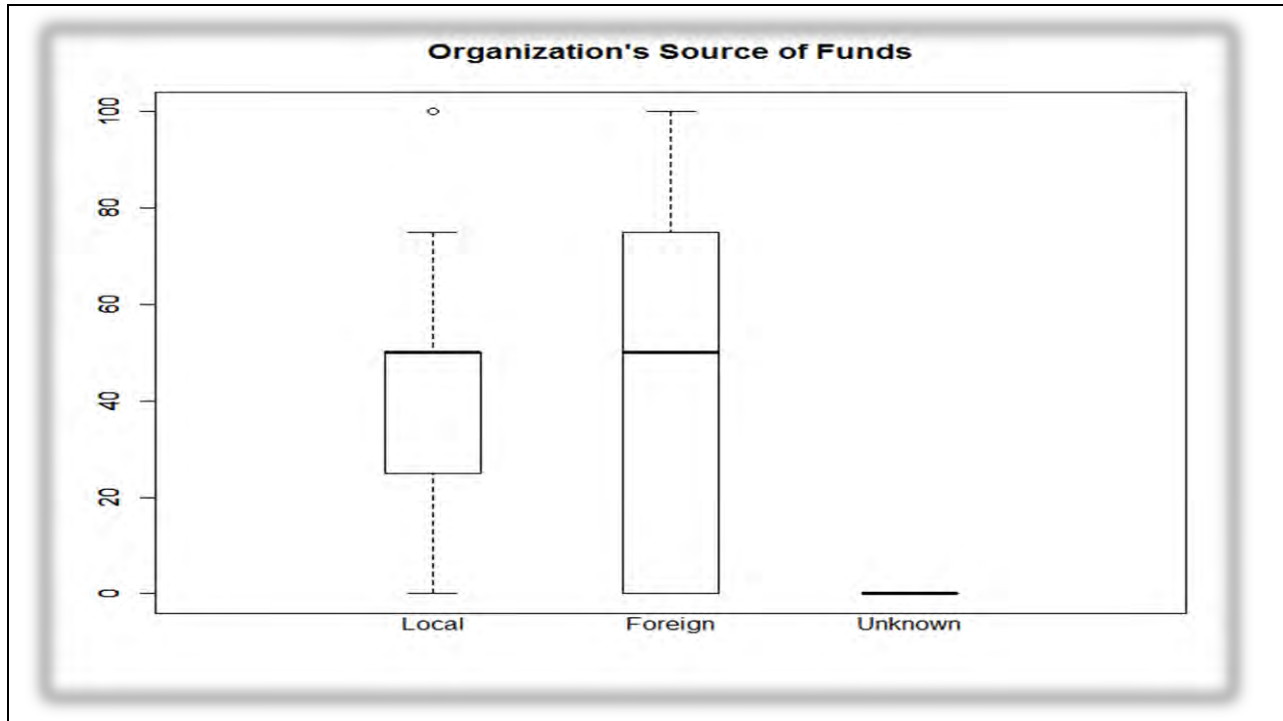
4.8.1 Sourcing and Raising Funds

The researcher wanted to establish if the organisations had fundraising plans in place. The majority of respondents, 68.18% reported that their organisations had a fundraising strategy while 13.64% reported not having one and the remaining 18.18% not being sure if their organisation had a fundraising strategy. The fact that majority of respondents report having both a fundraising strategy and plan indicates that they recognise the importance of planning ahead to ensure organisational sustainability. However, the fact that these two documents are in place does not necessarily mean that the organisations will be able to implement the plans

laid out since as the previous results showed these same organisations do not allocate enough resources for fundraising, which then defeats the purpose of having the documents in place.

The respondent's source of funds was further explored. These respondent organisations all knew their sources of funding with on average, half the funding coming from foreign donors and half from local donors. However, there were some organisations that were 100% foreign funded, as shown in figure 15 below.

Figure 15: Indication of organisation's main source of funds



The researcher wanted to identify what funding organisations found easy to source and raise. The majority of respondents, 72.73% reported that it was not easy to raise funds for capital expenses while 18.19% reported that it was easy to raise funds for capital expenses and the remaining 9.09% reporting they did not know if it was easy to raise funds for capital expenses. This result therefore indicates that the respondents have the capacity to fundraise over and above the fundraising resources to obtain both operational and programmatic expenses showing that these NGOs are indeed able to source funds. These organisations therefore have the ability to raise funds however they do not explore other avenues of funding instead choosing to remain reliant on donor funding exclusively.

With regards to operational expenses, 73.45% reported that it was not easy to raise funds for operational expenses while 22% reported it was easy to raise funds for operational expenses and the remaining 4.55% reporting not knowing if it was easy to raise funds for operational expenses. The result indicates the difficulty in sourcing and obtaining funds for the day to day expenses for the organisation. This result is supported by

research conducted by Smit (2005:354) who found that 94 percent of respondent organisations reported funding for operational expenses the most difficult to source and raise.

Finally, programmatic expenses and ease of fund raising was addressed with 63.63% agreeing and reporting that it was very easy to raise funds for programme expenses. However, 30.82% disagreed that it was very easy to raise funds for programme expenses and 5.55% reporting that they did not know if it was very easy to raise funds for programme expenses. This result is consistent with findings from Viravaidya and Hayseen (2001) who found that funders prefer to provide funds for specific programmes. Therefore it can be concluded by the researcher that the reason for this would be that the funders want to see direct service delivery.

The above results on programme expenses show that all funding is difficult to raise. However, funding for operational expenses was identified as being the most challenging to get meaning that the day to day activities are not easy to obtain funds for. However, funders have repeatedly shown their preference for funding programmatic expenses.

The researcher wanted to explore the main issues around the organisation’s ability to raise funds. The greatest challenge identified by 26.23% of respondents was increased competition for limited resources, followed closely by 24.59% who reported insufficient funds as the main issue around the organisation’s lack of fundraising ability. Still 18.03% identified poor fundraising ability as the main issue while 13.11% reported programmes run by the organisation not obtaining funds easily. Furthermore, 11.48% reported the organisation not meeting the criteria put forward by funders as the problem and the remaining 3.28% reporting bad organisational reputation as the main issue around fundraising, as diagrammatically represented in table 10 below.

Table 10: Indication of hindrance to organisational fundraising ability

Issue affecting organisation’s ability to fundraise	% of organizations
Increased competition for already limited resources	26.23%
Poor fundraising capacity	18.03%
Programmes run by the organisation do not obtain funds easily	13.11%
Bad reputation of the organisation	3.28%
Insufficient funds within the organisation to conduct fundraising activities	24.59%
Organisation does not meet criteria put forward by funder(s)	11.48%
Other(specify) - indicate appropriate response	3.28%

The above result shows how much the NGO sector is strained in terms of obtaining funding. The rise in demand for humanitarian and other assistance provided in an environment in which funding is fast decreasing is a serious point of concern. The reprioritisation of funders of their funding and the reduction of

donor funding from organisations such as DFAT means that NGOs will have to either rethink their priorities or close down their organisations fully.

Conversely some organisations have come up with alternate methods of raising funds to substitute donor funding in an effort to achieve some self-sustainability. The researcher found that 31.15% of respondents wrote funding proposals to raise funds, while 22.95% had personal meetings with donors, whereas 19.67% collected membership fees. Furthermore 14.75% had alternate fundraising activities such as sales or special events, as 8.20% reported having investments and 3.28% raised funds through others means such as in-kind donations/ contribution and the remaining 3.28% reporting renting out office space, as diagrammatically represented in table 11 below.

Table 11: Indication of alternate fundraising methods

Alternate fundraising method	% of organizations
Fundraising activities (sales, special events etc.)	14.75%
Membership fees	19.67%
Investments	8.20%
Writing funding proposals	31.15%
Personal meetings with donors	22.95%
Renting out office space	3.28%
Other (specify)	3.28%

This result shows that these organisations are indeed making strides towards achieving self-sustainability, though not many alternate activities are being engaged in, there is still an active will to seek funding and strides are being made towards this. Additionally, the fact that NGOs have alternate sources of funding shows “...their increasing awareness of the inadequacy of grants and donations to meet their current programme needs...” as reported by Viravaidya & Hayssen (2001:1).

4.9 Perceptions of Fundraising Ability

This section deals with the organisation’s perceptions around their ability to raise funds. 45.49% of the respondents reported that their organisation was very successful at fundraising while 45.42% reported that their organisation was not very successful at fundraising, with the remaining 9.09% not knowing if their organisation was successful at fundraising. This result shows that the fundraising is perceived to be equally easy and difficult to do, despite the subtle difference in percentage. This might then explain why some organisations rely on one particular funder with very few having other sources of funding different from already established organisations as reflected in section 2.

The aspect of resource allocation with regards to fundraising was surveyed. The majority of respondents, 77.27% reported that not enough organisation resources were provided for fundraising while 13.64%

reported that enough resources were provided for fundraising and the remaining 9.09% reporting not knowing if enough organisational resources were provided for fundraising. This result shows that NGOs despite expressing the need to move beyond donor funding, do not allocate enough resources to source alternate funding. This can be attributed to funders not providing for fundraising within their funding allocation, which then means that these organisations remain in the dependency cycle where they are not self-sustaining but need to depend on funders for longevity. This then shows the precarious situation NGOs are in presently, where despite recognition of the fact that alternate funding needs to be sought, not enough resources are allocated to fundraising.

Subsequently, the majority of respondents 50% reported that obtaining funding was simple if you knew where to go while 36.36% reported the opposite and the remaining 13.64% reporting not knowing if obtaining funding was simple if you knew where to go. This result is an indication of the networking that happens within the sector where similar organisations working in the same field share information as reported previously hence the knowledge of sources of funding. However, despite the knowledge about funders it is still difficult for these organisations to source and maintain these funders for long periods.

The aspect of budgetary allocation was addressed further. The majority of respondents, 50% reported that funders did not make it a requirement that recipients of funds include a line item within the budget for fundraising while 36.37% reported that funders made it a requirement that recipients of funds include a line item within the budget for fundraising and the remaining 13.64% reporting not knowing if this was the case. This result is contradictory to that of funders providing support for sustainability of services while they do not make a budgetary allocation for fundraising. This goes to further show the dependency cycle replication where the core (funder) wants to keep the periphery (funding recipient) working for and advancing their needs at the expense of their own development (Graff & Venter, 2001).

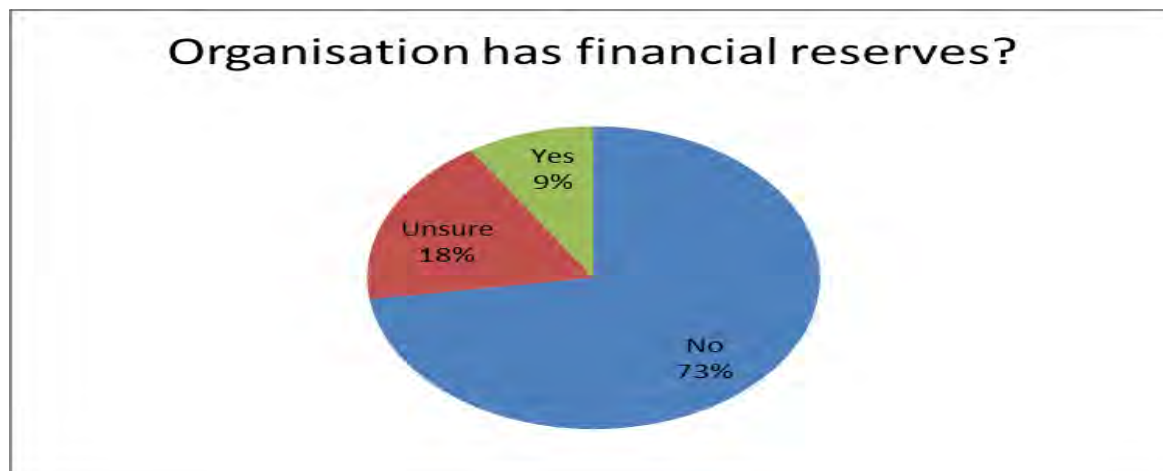
The recession and its effect on funding was also surveyed. With 54.54% reporting that sourcing funding had not become easier over the years while 22.73% reported that sourcing funding had become easier over the years and the remaining 9.09% reporting not knowing if sourcing funding had become easier over the years. This result shows the effect the global recession had on the funder's ability to provide funding where funding has declined for NGOs. This result coincides with reports by Gebreselasie-Hagos and Smit (2013) who found that NGOs had been hard hit by the recession as funders had also reduced the amount of funding they were providing to these organisations.

4.10 Financial Sustainability and Way Forward

Not surprising to the researcher was the fact that 73% of respondents reported their organisations not having any financial reserves while 9% reported having reserves and the remaining 18% not knowing if they had financial reserves, as shown in figure 16 below. This result again reinforces the dependency theme with

the lack of financial reserves showing the total dependency on funders and the programme to programme existence these organisations lead. Therefore if donor funding were to cease 73% of respondent organisations would cease to exist which is staggering and shocking to say the least.

Figure 16: Indication of Organisational financial reserves



The majority of respondents, 50% reported that their organisations had the ability to source funds locally should international funding cease while, 22.73% reporting their organisation would not be able to source funds locally if international funding ceased and the remaining 18.18% reporting not knowing if their organisation had this ability. Although it is commendable that the majority of respondents knew about alternate funding and its source, the fact still remains that these organisations do not have a self-sustainability plan but instead are looking at yet having other local donors who would provide funding in the event that international funding ceased.

The researcher was surprised by the fact that 86.36% reported that their organisation in future should focus on programmes in line with its primary field of service while 13.64% disagreeing reporting that in future organisations should not focus on programmes in line with its primary field of service. This result is contradictory given that all respondents reported having more than one primary field of service. It can thus be concluded that the various primary fields of service reported earlier by respondent was an attempt to source funding, confirming the findings of AbouAssi (2012) and Hanafi and Tabar (2003) who reported organisations changing priorities by having various programmes to obtain funding.

The aspect of training focused on fundraising was surveyed. The majority of respondents, 90.91% of respondents agreed with and reported that funders had to provide training on fundraising to enable the organisation source funds locally while 6.55% disagreed and the remaining 2.54% did not know if funders had to provide training on fundraising. The majority of respondents therefore recognise the need to source funds locally. However, the issue of funder control especially local then comes into play within the scope of programme development and organisational management.

The researcher incorporated a qualitative aspect to the research and wanted to find out what respondents wanted to see going forward in terms of donor-organisation relations, with some of the most interesting comments being recorded below:

- *More support for community development;*
- *More information on the details of funders;*
- *Training opportunities for staff;*
- *Supporting Community based organisations (CBOs) and NGOs who have never received any funding;*
- *Flexibility in funding to partner organisations;*
- *No strings attached to funding criteria;*
 - i. *Donors should not channel their aid through bigger organisations but directly to CBOs.*
 - ii. *Emphasis on capacity of the organisation should be relaxed because it makes the donor miss innovations in the potential community.*
 - iii. *Monitoring and evaluations by donors should be carried out at the end of programme activities to evaluate impact of the programmes to the beneficiaries.*
 - iv. *Field visits be done solely by the organisation's staff and helping the CBOs come up with good proposals is more important than emphasising on tight criteria that other big organisations can meet and yet cannot achieve much in the field. Donor organisations review meetings and conferences.*
- *Local staff should be more involved in programme design and implementation for donor funded programmes. There should be a limit on the number of foreign staff overseeing donor funded programmes outside their own country;*
- *Working as partners not as contractors and having long term programmes rather than medium term ones i.e. 5 to 10 years, should be the norm if any impact is to be realised;*
- *Networking and good communication;*
- *Accountability and transparency; and*
- *Participate in understanding the problem jointly with the NGO/Organisation applying for funds and plan together to implement.*

4.11 Conclusion

Chapter four has provided an analysis of the research findings and has integrated these with the literature to proving a stronger backing for the findings. The chapter that follows will be details around conclusions on the findings and recommendations with regards to what the researcher thinks should be done to improve NGOs positions.

5. CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The aim of this study was to explore the conditions attached to donor funding and what implications these conditions have on NGO autonomy in East Africa specifically in; Kenya, Uganda and Tanzania. The research has addressed sourcing, obtaining, maintaining and use of funds by recipients and the say funders have when it comes to use of these monies.

This chapter details the conclusions made by the researcher on the topic and offers recommendations to persons looking into conducting the same kind of study.

5.2 CONCLUSIONS AND RECOMMENDATIONS

This section spells out the conclusions and recommendations of the research based on the results obtained during the study. A summary of the conclusions based on the results are as detailed below:

- To understand the organisations as a whole, in terms of establishment and founding, location and areas of service - the researcher found that the organisations were locally founded, based in urban areas with more than one primary field of service.
- To establish the foreign and local sources of funding - the researcher found that funding was primarily foreign
- To understand the management of the organisation including board composition and roles within the organisation- the researcher found that the board of management had a hands on approach to management and played a major role in the financial management and decision making.
- To learn about the programmes run by the organisations and the degree of local and foreign influence in their establishment and running- the organisations had more than one programme in operation. Funder interference was heavily evident with funders setting annual programme and project objectives and constantly monitoring programme progress.
- To establish the perception of empowerment versus control with regards to organisational decision making- the organisations were unaware of the degree of control exerted by funders on their organisations. However, the indication was that local funders were more dominant compared to their foreign counterparts, despite respondents perception that the latter was more dominant. Furthermore, organisations did not mind being 'controlled' by local funders but had a strong opinion of foreign funder dominance and their perceived interference.
- To learn about the organisation's finances and fundraising ability- the researcher found that these organisations were in a bad financial space with majority if not total dependence on donor funding. The organisations could fundraise however little to no have been made resources available for this purpose.
- To comprehend the perceptions of organisational fundraising ability- it was found that organisations could fundraise but again there was an issue with resource availability and allocation.

- To learn about the financial sustainability of the organisation and way forward should funding cease-majority of the respondent organisations were not financially stable and were heavily dependent on donor funding meaning closure should funding cease.

5.2.1 The organisation

The majority of respondents reported coming into existence between 2001 and 2010. This is particularly interesting given that during this period, funding for NGOs by foreign donors and major donor agencies was mostly coming into Africa because of the triple burden of HIV, TB and malaria. Therefore the sharp increase in NGO numbers can be attributed to the influx of donor funding during this period. Not surprising is that most of the organisations were founded by local individuals and community members and it can be assumed that these organisations came up to meet or address a certain need within the community.

The diversification of programmes and services offered by the respondents was clear with the majority of respondents reporting having more than one primary field of service. The numerous fields of service match the shifting priorities of donors to a certain extent as NGOs seem to be casting a wide net in order to attract numerous funders. This however, dilutes the services the organisation offers as they have too many focus areas hence in the process lose their organisational identity as well as their constituent base. These organisations should go back to the basics. The researcher recommends that they narrow their focus, and this would entail thorough needs analysis coupled with intensive research on current funder priorities. With the current funder trend where funders are demanding more 'bang for their buck' an organisation with one or two main focus areas stands a better chance of obtaining and retaining funding, as funders currently want organisations that are both effective and efficient with results of the projects being readily apparent. Furthermore, narrowing organisational programmatic focus will ensure long term sustainability as the organisation will not only be certain of its area and scope of work but will also be certain of funders and funding base as well as constituents whom they will focus their work on.

5.2.2 Local and Foreign Funding Sources

The funding aspect was found to be a topic that the respondents were particularly apprehensive about given the fact that some respondents even asked the researcher to send a copy of their curriculum vitae as well as state where their organisational details were obtained from before agreeing to answer questions around funding. This was quite interesting given the fact that in all the three countries surveyed all financial matters relating to NGO including audited financial statements were a matter of public record, as detailed in legislation. However, it seems that some of the respondents were not aware of this fact and the researcher did not mention this lest the respondents refuse to take part in the research. This is an indication of the level of

lack of understanding of the legislations that govern the NGO sector by the individuals who are in the management positions.

Multi-lateral donors were found to be the main funders while governments and international organisations such as the UN and PEPFAR were mentioned. Consequently, majority of the respondents reported receiving funding from outside of Africa; with Europe and America being identified as the main regions from which funds were sourced followed by Africa, Australia and Asia. The shift in international donor priorities cannot be highlighted enough meaning that these organisations need to explore other funding avenues with the local base as the first port of call. Likewise the receipt of funds from agencies such as PEPFAR which funds projects and programmes aimed at HIV prevention reiterates the explanation around the large number of organisations that emerged in the 2001-2010 period.

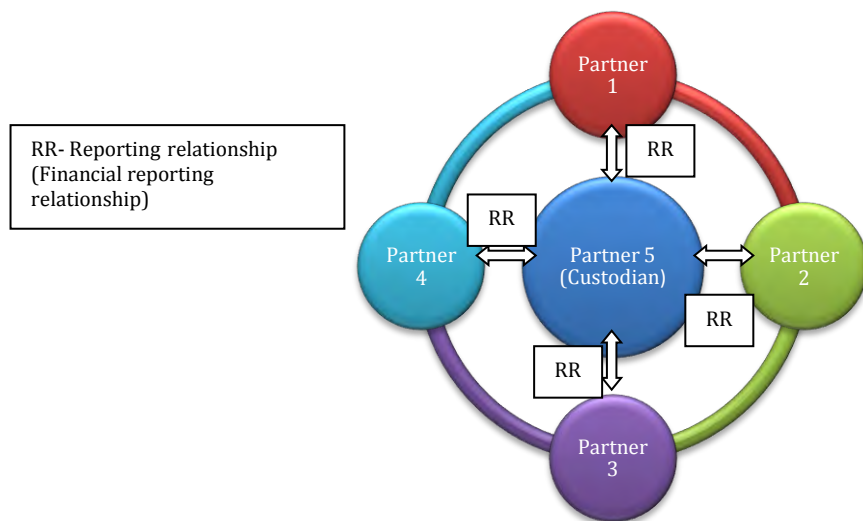
The rapidly shifting funder priorities means that NGOs have to think fast and smart about where they are headed and what kind of projects will work best for them. It is the recommendation of the researcher that NGOs either continue to push the HIV/AIDS advocacy agenda as currently donor funding is being channelled towards new prevention technologies or to look into the humanitarian aspect namely conflict resolution, aid distribution and community development given the prioritisation of these areas by funders. The researcher also acknowledges that these two avenues might not be the best options for all NGOs hence it is also recommended that NGOs conduct research and forecast the current donor trends by carrying out an exhaustive needs analysis in order to come up with the best way forward.

Despite earlier assumptions that collaboration does not take place within the NGO sector because of increased competition for limited resources, the opposite was indicated. The majority of respondents identified other NGOs working within the same field as being their key informants in terms of where to seek funding. Since NGOs working within the same field interact with one another on various levels, it is recommended that list-serves (online lists that is membership based) be created where funding opportunities available are circulated to all organisations to afford them the opportunity to apply, where the best proposal out of the various submissions gets the funding. This recommendation is meant to curb instances of competition and promote collaboration among organisations working in the same field while also minimising duplication of projects and work.

Likewise it is also recommended that organisations working within the same field band together and submit one proposal, where each is an equal partner meaning that each would receive an equal amount of the main grant received. However, one organisation would be selected as the main custodian and administrator of the funds. Upon receipt of funding by the main custodian each organisation would then get a chance to organise and host an event where other organisations as well as the partners attend, but would source its funds from the main custodian. After each function, proof of use of funds would be submitted to the custodian for reporting purposes. This would then mean that each organisation remains an independent entity that carries

out a project or activity hence minimising duplication of services while fostering collaboration of the organisations working within that particular sector, as diagrammatically represented below. However, the primary custodian should be an organisation with the financial management systems that would be able to handle administration of and reporting on the grant finances.

Figure 17: Diagrammatic representation of suggested funding relations



The researcher does acknowledge that such a relationship as the one represented above might not be plausible for organisations working in different fields but would work best for those working in the same field. In the same way, the relationship between the partnering organisations needs to be managed very well to avoid instances of conflict. Moreover, an initial SWOT analysis should take place among the partnering organisations in order to identify the one that would be the best equipped to manage the finances. It should however also be acknowledged that such an instance can lead to increased work especially for the grant administrator. As such it is recommended that partnering organisations implement a round robin system where each organisation would take responsibility of grant administration each year.

5.2.3 The Board and Management

The board of management despite its legislative mandate of only being an oversight body was found to have a major influence and say over the management, programming and staffing components of the organisation. All financial decisions were found to hinge on the board of management’s decision, meaning that the approval of the annual budget always had to be done by the board. The degree of control the board of management had extended through to programming and staffing including recruitment, selection and dismissal. The board of management had to approve all decisions relating to the aforementioned aspects of the organisations. In order to avoid delays in decision making which will then impact on organisational programming the researcher recommends organisations consider having 2 types of boards of management in place. The first is the bigger board consisting of all members and the second a smaller group of 3 board members elected from

and by the bigger collective that acts as an executive. The executive will then be in charge of immediate management decision making resulting in the organisation's management being able to implement activities and other programmatic aspects with ease.

The composition of the board of management was found to be mostly local members with little to no foreign national representation. It was surprising that despite the indication that separate meetings were organised for local and foreign board members, it was reported that decisions were made easily and quickly if the meetings were attended by foreign and local board members. It is therefore recommended that board meetings be integrated where both locals and foreign nationals are present in the meetings, where both have equal decision making powers to enable organisations proceed with internal processes much faster.

As aforementioned the board of management is mostly comprised of local nationals with indications that these individuals have more power with regards to decision making than their foreign national counterparts with locals having to always sign off on all proposed new foreign and local board members. However, decisions around the organisation's future direction and programming were more difficult to arrive at when local as opposed to foreign nationals were present at board meetings. This is surprising given that locals were reported to be better informed on the needs of the immediate community served by the organisation and it would thus be assumed that speedy resolutions would be made with only locals attending board meetings but this was not the case.

Despite the difficulty in arriving at decisions, respondents still indicated that they preferred a board comprised of mostly locals with little to no foreign nationals. This may be an indication of the attitude locals had about their foreign counter parts. Notwithstanding attitude or perception around foreign nationals, it is imperative that there be another dimension added to the board to bring in the bigger picture concept. It is recommended that the board consider including at least three constituents whom the organisation is supposed to provide services to who will provide them with an understanding of what is going on at ground level, hence give the board an idea of what the needs are which would then guide their response.

5.2.4 Programmes

The programming brings to the fore the dependency aspect. The diverse fields of service previously reported is translated here into the number of programmes the organisations run at any given time with the majority running between three and six programmes concurrently. The numerous programmes reflects the diversity of service delivery by the organisations hence a diverse portfolio of services. However, it can be an indication of the fraught state of these same organisations meaning the organisation essentially loses direction going against its inception mandate in an attempt to attract the already limited funding base.

The influence of donor funding both local and foreign is alarming with organisations reporting always shifting programme priorities and organisational direction to suit the needs of the funder at the time. This thus means

that NGOs have long since lost their identity due to the constant programmatic shifts. Therefore the ever changing funding priorities makes NGOs shift from the position of implementers to shells through which funders advance their agenda. This is due to the fact that funding obtained already has detailed programmes that have been conceptualised by these same funders, hence only need implementation which is then the job of the NGO. The NGO then becomes solely accountable to the funder at the expense of its constituents. It is recommended that organisations go back to the basics in terms of their area of working. The organisations should thus focus their effort on one or two issues at most, from past successes hence the organisation will already be aware of what works and what doesn't increasing the probability of programme success. This will not only focus organisational efforts but will ensure that sourcing funding will be zoned in on specific funders. Furthermore these organisations will have a greater chance of obtaining funding as the funders will already know who they are and what their organisation can do hence high chance of success, which is what funders are looking for in the projects that they fund post 2014.

All programmes run by the various organisations were either locally or foreign funded that is local, African or foreign donors were responsible for supporting these organisations. The dependence on donor funding is very evident, with both local and foreign funders being reported to have a very hands on approach to monitoring and evaluation of the programming aspects. These funders were reported to make announced and unannounced visits (random visits) to the organisations to assess programme progress with follow up meetings taking place thereafter. However, the frequency of visits of local compared to foreign funders was significantly higher but both funders having review meetings to assess programme progress. Both funders were reported to be the primary writers of the annual programme plans for the organisation, despite the fact that foreign funders were reported to not be aware of the immediate community needs. Therefore the effectiveness of the programmes run by these organisations comes into question. The researcher recommends that the programmes be developed collaboratively between the organisation, board and funders to develop programmes that meet all the needs of the three management structures. Furthermore, it is recommended that a memorandum of understanding detailing the number of visits annually by funders is signed that details the maximum number of random visits these funders can make in one year.

Despite reports of foreign funders being unaware of the needs of the immediate community, it was surprising that funding for immediate community programmes ran by the organisations was sourced from foreign funders. The attitude of respondents to foreign funders was surprising with most reporting that they did not want foreign funders controlling local organisations. This represents local organisation's expression and wants to be autonomous.

Surprisingly, local funders had more control over organisations than foreign funders which the researcher did not expect. This can be attributed to local funders being in close proximity to the organisations which they fund giving local funders the ability to monitor these organisations closely as compared to their foreign counterparts.

5.2.5 Perceptions of Empowerment versus Control

Funding for staff training and development was prioritised with the organisational budget providing for this within their budgetary allocations. Of note was the fact that both previous local and foreign funders provided funds for staff training and development indicating their recognition of skills upgrading within the organisations they funded.

Furthermore, senior local as well as foreign staff members mentored local staff within their respective organisations. However, the aspects of donor dependence and control came into focus when it was indicated that the mentors were selected by the respective funder. This raises the question of accountability versus organisational loyalty as these individuals were required to report to the respective funders, therefore their loyalty was first to the funder who paid their salary and not the organisation in which they were located and worked. Furthermore, staff members appointed by the funders indicated that they were accountable to the funder directly and not the organisation within which they were located. It is recommended that the organisation and the funder collaboratively select a staff mentor and also lay out a clear hierarchical reporting structure, where the mentor would report to the director then the director to the funder. These two parties will then jointly draft a brief report to the funder, however all communication and reporting would be through the director and no direct communication will take place between the funders and the organisational and programme staff.

Both local and foreign funders were found to exert a degree of control over organisational programming and management with local funders being less flexible and accommodating. This is surprising given the fact that locals would be the ones who would be expected to give leeway to the organisations they fund due to their awareness of the situation on the ground being locals themselves. Reporting on organisational progress was stringent for both local and foreign funders, with foreign funders being reported to be particularly difficult to deal with. Therefore it is recommended that the organisation and funder collaboratively develop a reporting template that will be used during each project. The template should provide for internal as well as external reporting frameworks that will ensure that programme staff is accountable to both the organisation and the funder, unless otherwise specified. In so doing the organisation will maintain a semblance of independence from the funder and also ensure that staff is first and foremost accountable to the organisation thereafter the funder.

5.2.6 Organisation Finances and Fundraising Ability

It has already been established that NGOs are totally dependent on donor funding for their survival. As such, it was unsurprising to the researcher that majority of these same organisations reported not having any financial reserves. This is an extremely worrying trend as it means that were funding to cease then the social service sector would be vastly affected. Each funder when providing funds does not expect there to be a balance of funds as organisations are encouraged to spend the whole budget as returning money to the

funder is a sign that the organisation does not know how to carry out the approved activities. However, in cases where funding is not exhausted the funding is returned to the funder, but some funders allow organisations to keep the funds and these then become the organisational reserves. It is recommended that, where organisations who have funding left over, should consult with the funder to negotiate a situation in which they can be allowed to keep the money to build organisational financial reserves. However, it should be noted that not all funders are open to the idea but organisations should take the initiative to ask for special consideration.

Operational and capital expenses were seen to be the most difficult to raise funds for. It was identified that everyday expenses as well as purchase of long term assets and their maintenance formed the bulk of the respondents' single greatest expense. It is recommended that when applying for funding the budget should include an 'organisational' line item where the funder contributes a certain percentage for operational and capital expenses. Again, this should be included in the initial funding application budget in order to ensure that it is pre-approved by the funder, to avoid situations where funders refuse to approve adjustments in the budget after receipt of funds. Furthermore, it is recommended that these organisations consider taking on students looking for work experience as volunteers to perform some of the organisational tasks. This relationship would be mutually beneficial where the student gains work experience while the organisation gets an extra staff member who will work at little to no cost for the organisation.

There was a sense of planning for the future by the respondents with organisations identifying having fundraising strategies and plans in place already. However, these same organisations reported not having dedicated staff to implement these plans. It is recommended that organisations working in the same field and in the same area pool resources and hire an independent fundraiser who would then do all the funding applications for each of the participating partners. The fundraiser would be contracted on a needs basis and would therefore be available when needed. This will minimise the funding constraints of having to take on an extra staff member while at the same time ensuring that there is an individual available to the organisation to do fundraising only.

There was collaboration among the participants especially when it came to referral for funding sources. Despite this collaboration, the issue of increased competition among organisations for the already limited resources was identified as the main barrier to sourcing funding. Alternatively, some organisations reported having other streams of revenue to substitute for donor funding. It is recommended that these organisations consider what it is that they are good at and offer these service for example facilitation, report writing et cetera at subsidised rates to other organisations or companies as consultants as a further alternate source of revenue.

5.2.7 Perceptions of Fundraising Ability

Fundraising was identified as an equally difficult task to engage in with respondents identifying it as both challenging and easy to do. However, allocation of organisational resources was identified as the main barrier to the organisation's ability to fundraise. Conversely, obtaining funding was said to be easy if one knew where to go, implying that organisations were aware of available funding but one had to know where to go to source these funds. It is recommended that the organisations have an online network (listserv) for NGOs working in the same sector, hence a platform for organisations to discuss and identify funding opportunities.

On the other hand it was found that funders did not make it a requirement to include fundraising as a line item within the budget. Nevertheless, given the recognition of the difficulties around fundraising, the researcher recommends that initial budgets that are submitted with funding applications always have fundraising as a line item. The inclusion of this line item within the proposal budget will ensure that the funder is aware from the beginning about this and will approve funding with the understanding that the organisation will engage in fundraising activities. Therefore, the issue of budgetary allocation will be solved as the funders will already be aware of this.

5.2.8 Financial Sustainability and the Way Forward

The precarious financial position of these organisations was exhibited further by the majority of respondents reporting not having financial reserves. Essentially these organisations will cease to exist should funding not be forthcoming. However, it was acknowledged that local funding could be sourced in the event that international funding was not available. Given the results, it is recommended that NGOs compile a database of all previous as well as current funders and cultivate a relationship with the grant administrators. The personal relationship that will be cultivated between these two parties will ensure that the grant administrator overseeing certain funding will remember that particular organisation which will be his/her first port of call should funding be available that is in line with the current activities of that particular organisation.

There was an expressed need for training to enable these organisations source funding to ensure sustainability. Planning should be done in conjunction with fundraising forecasting, meaning that the organisations need to keep up to date with the latest funder requirements and funding trends. This will ensure that they are aware of the kinds of funds available as well as the funder requirements early enough to enable them plan around application for funding.

5.2.9 Theory and Findings

The researcher chose the dependency theory as the research's theoretical framework and sought to conduct the research to prove whether the theory was applicable. Gunder Frank's dependency theory is based on the premise that those in positions of power actively under-develop their subordinates to ensure that they

continue to remain dependent on them for their survival. The research findings support and show that Gunder's theory is not only relevant despite being coined in the colonial period but is applicable to the funder and NGO as recipient of funding relationship. The NGOs surveyed have reported most if not total dependence on donor funding for their operational, capital and programme expenses. These funders have then put measures in place such as reporting guidelines where regular update meetings are held between the two parties. Furthermore, these same funders despite having set reporting periods make random visits to the NGOs they fund to assess programme progress. In so doing, the funders are putting themselves in positions of authority where the NGOs as funding recipients are put in a position where they have to accept the terms put forward by the funders thus conforming or refuse and risk closure. Therefore a cycle of dependence is created where NGOs cannot do without this funding; and the funders as the funding entity is left in the position of 'puppet master' to do with the organisation as they see fit.

5.2.10 Recommendations for Future Researchers

Future researchers should consider doing a study that incorporates the qualitative and quantitative methodology in data collection and analysis. By using the combined methodology the researcher can get richer information for analysis. Furthermore, the inclusion of the qualitative aspect would help deal with the challenge of doing an internet based piece of research for academic purposes especially due to the way people respond to questions.

Secondly, the researcher should have an individual who will act as a point of entry to obtain research participants. This individual should be a person working in the sector to be researched; ideally the person should be the director of an organisation in the country where the researcher will take place. He/she will act as the intermediary between the researcher and the potential respondents in essence lending legitimacy to the research as the respondents will be more open to participating. The researcher should however be careful of sampling and other errors that may occur as a result of having an intermediary.

Thirdly, the research should be undertaken for one to one and a half years to ensure that there is enough time to carry out the one on one interviews and administer the survey questionnaire

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7. Appendix 1: Survey

Thank you for agreeing to look at and participate in this research. Please read the following instructions carefully before continuing with the questionnaire.

Note that participation in this research is VOLUNTARY and that you CAN OPT OUT AT ANY TIME should you so wish.

In addition to completing the online survey, the research kindly requests respondents to forward a copy of the organisation's latest audited financial statements in either electronic or hard copy format.

If you have electronic copies of your latest audited financial statements and your organisation's annual report please email it to mgximm001@myuct.ac.za. Use the subject Audited Financial Statements. Alternatively, should you have hard copies only, please send these to:

Immaculate Mugo		Immaculate Mugo
2 Shady Pine,	OR	666330100
295 Main Road,		Eldoret, Kenya
Kenilworth, 7708		
Cape Town		
South Africa		

The data, financial or otherwise will remain CONFIDENTIAL and ANONYMOUS. The financial data will remain confidential at all times and will only be used to make generalizations. Should you wish to contact me at any stage, please use either the email address provided above OR otherwise you can phone me on +27 82 544 8277.

Terminology

The key terms used in the questionnaire are defined below:

Foreign national - this is an individual not born and raised in the country where the organisation is located and does not have citizenship of that country

Local - this is an individual born and raised in the country where the organisation is located and has citizenship of that country

Local donor - this is an individual/organisation/formation from the country where the organisation is located that provides funding for programmes run by the organisation

Foreign donor - this is an individual/organisation/formation from outside the country (within Africa and outside Africa) where the organisation is located that provides funding for programmes run by the organisation

Filling in the Questionnaire

This questionnaire consists of eight (8) sections. Ideally, it should be completed by the: Director, a Senior Manager or Board member concerned with the funding and governance of the organisation. Please note that certain questions require estimates of certain values and figures. Answer these to the best of your ability. Thank you for your time and assistance.

Kind regards,

Miss Immaculate Mugo (+27 82 544 8277)

University of Cape Town (UCT) Student Number: MGXIMM001

Supervisor: Associate Professor Andre Smit (Department of Social Development)

SECTION A: THE ORGANISATION

1. The respondent is the director or manager of the organisation

- Yes No
 Other (please specify job title)

2. What is the name of your organisation?

3. In what year was your organization founded?

4. Indicate who was primarily responsible for the establishment of your organisation

Indicate appropriate response

- Local individual(s)
 Community member(s)
 Foreign national(s)
 Partnership between local(s) and foreign national(s)
 Branch of an international organisation
 Other (specify)
 Do not know
 Other (please specify)

5. In what city or town is your organisation’s head office(s) located?

6. What is your organisation’s primary field of service? (Select **ALL** the appropriate fields of service(s) from the list below)

Select ALL appropriate fields of service

- Aged (care and support)
 Community Development
 Development
 Education
 Environment
 Fundraising
 Gender
 Governance and Leadership
 Health
 Human Rights
 Housing
 Justice
 Legal
 Network
 Rural Development
 Relief
 Sport
 Youth
 Other (please specify)

SECTION B: LOCAL AND FOREIGN FUNDING SOURCES

7. Does your organisation receive funding?

- Yes No Do not know

8. Indicate your organisation's source of funds

- Local funder
 African (from within Africa)
 Foreign (from outside Africa)
 Do not know

9. If responded yes to Question 7 above, from what continent(s) is the funder(s) from?

10. From the list below, indicate which donor(s) your organisation is currently receiving funds from.

Indicate as **MANY** as applicable

- | | |
|---------------------------------------------------------------------------------------------|--------------------------|
| Australian Agency for International Development (AUSAID) | <input type="checkbox"/> |
| Canadian International Development (CIDA) | <input type="checkbox"/> |
| Danish International Development Agency (DANIDA) | <input type="checkbox"/> |
| Department of International Development (DFID) | <input type="checkbox"/> |
| European Union (EU) | <input type="checkbox"/> |
| Local Government | <input type="checkbox"/> |
| International Corporate | <input type="checkbox"/> |
| International Government (Bilateral Donor) | <input type="checkbox"/> |
| International Faith Based Organisation | <input type="checkbox"/> |
| Irish AID | <input type="checkbox"/> |
| Local Faith Based Organisation | <input type="checkbox"/> |
| International Foundation (e.g. the Bill and Melinda Gates Foundation, Ford Foundation etc.) | <input type="checkbox"/> |
| President's Emergency Plan for AIDS Relief (PEPFAR) | <input type="checkbox"/> |
| United Nations (UN) | <input type="checkbox"/> |
| United States Agency for International Development (USAID) | <input type="checkbox"/> |
| Oxfam | <input type="checkbox"/> |
| The World Bank | <input type="checkbox"/> |
| Other (specify) | <input type="checkbox"/> |
| Do not know | <input type="checkbox"/> |
| Other (please specify) | <input type="text"/> |

11. From the list below, indicate how your organisation found out about these donors.

Indicate as **MANY** as applicable

- | | |
|-------------------------------------|--------------------------|
| Conference | <input type="checkbox"/> |
| Internet Search | <input type="checkbox"/> |
| Referral by local partner | <input type="checkbox"/> |
| Referral by overseas partner | <input type="checkbox"/> |
| Other NGO working in the same field | <input type="checkbox"/> |
| Other (please specify) | <input type="text"/> |

SECTION C: THE BOARD AND MANAGEMENT

12. Does your organisation have a constitution?

- Yes No Do not know

13. Indicate who was primarily formulation of the organisation’s founding document.

- Founding document (constitution, article of association etc.) primarily written by local(s)
 Founding document (constitution, article of association etc.) primarily written by foreign national(s)
 Founding document (constitution, article of association etc.) jointly written by local(s) and foreign national(s)
 Other (please specify)
 Do not know

14. Does your organisation have a board of management/board of directors?

- Yes No Unsure

15. How many board members in total does your organisation have?

16. In the table below, indicate the exact number(s) as categorized by nationality

Local(s) board member(s)	
Foreign national(s)board member(s)	
Unsure	

17. You have regular update meetings with the board to assess organizational progress?

- Always Sometimes Do not know Rarely Never

18. The annual budget MUST be approved by the board

- Always Sometimes Do not know Rarely Never

19. The director MUST consult the board before taking decisions concerning the organisation’s management (programmatic, operational, etc.)

- Always Sometimes Do not know Rarely Never

20. ALL staffing decisions (recruitment, selection and dismissal) MUST be approved by the board.

- Always Sometimes Do not know Rarely Never

21. From the table below, indicate which response applies to your organisation with regards to board meetings.

Indicate appropriate response

- Local(s) have separate board meetings
 Foreign national(s) have separate board meetings
 Combined board meetings are held for local(s) and foreign national(s)
 Do not know
 Other (please specify)

22. Decisions on the organisation’s future direction are EASILY made when board meetings are attended by local(s) only.

- Strongly agree Agree Do not know Disagree Strongly disagree

23. Foreign national(s) on the board MUST be present at all board meetings.

Always Sometimes Do not know Rarely Never NA

24. Foreign national(s) on the board MUST sign off on proposed local new board members.

Always Sometimes Do not know Rarely Never NA

25. Decisions on the organisation's future direction are EASILY made when board meetings are attended by foreign national(s) only.

Strongly agree Agree Do not know Disagree Strongly disagree NA

26. Decisions on the organisation's future direction are EASILY made when board meetings are attended by both local(s) and foreign national(s).

Strongly agree Agree Do not know Disagree Strongly disagree NA

27. In future, what would be the ideal board composition in terms of percentage of local and foreign national(s)?

Percentage (%)

Local board member(s)	<input type="text"/>
Foreign national board member(s)	<input type="text"/>
Do not know	<input type="text"/>

28. Future board member(s) should all be local(s) with NO foreign national(s) representation.

Strongly agree Agree Do not know Disagree Strongly disagree NA

SECTION D: PROGRAMMES

29. On the table below, indicate the number of staff members currently working in your organisation

Do not know	<input type="text"/>
Local staff member(s)	<input type="text"/>
Foreign national staff member(s)	<input type="text"/>

30. Does the organisation offer specific programmes?

Yes No Do not know

31. If answered yes to Question 30 above, how many programmes is the organisation currently running?

32. The organisation's programmatic focus ALWAYS changes in line with the funder's requirements.

Strongly agree Agree Do not know Disagree Strongly disagree

33. ALL programmes run by the organisation are locally funded (capital used to start up and run the programme(s) is obtained from local sources).

Always Sometimes Do not know Rarely Never NA

34. ALL programme(s) run by the organisation are Africa funded (capital used to start up and run the programme(s) is obtained from other African countries/sources).

Always Sometimes Do not know Rarely Never NA

35. ALL programme(s) run by the organisation are foreign funded (capital used to start up and run the programme(s) is obtained from foreign/international sources).

Always Sometimes Do not know Rarely Never NA

36. Does the organisation set annual programme objectives?

Strongly agree Agree Do not know Disagree Strongly disagree NA

51. Local NGOs should NEVER be controlled by foreign national(s).

Strongly agree Agree Do not know Disagree Strongly disagree NA

52. Do foreign funders regularly visit your organisation to review the progress of the programme(s) funded by them?

Yes No It depends Do not know

53. Do you have update meetings with the foreign donors who conduct these visits?

Yes No It depends Do not know

54. Do these foreign donors set the agenda for the update/progress meetings?

Yes No It depends Do not know

55. How often do these meetings take place?

Monthly Quarterly (every 4 months)
 Biannually (every 6 months) Annually (yearly)
 Other (please specify)
 Not applicable

56. Annual programme plans are ALWAYS written by foreign funders.

Strongly agree Agree Do not know Disagree Strongly disagree NA

57. Programmes developed by foreign funders ALWAYS meet the needs of the community the organisation serves.

Strongly agree Agree Do not know Disagree Strongly disagree NA

58. Programmes the organisation runs ALWAYS change to suit the needs of the foreign funder at the time.

Strongly agree Agree Do not know Disagree Strongly disagree NA

59. Programmes aimed at the immediate community where the organisation is located are SOLELY funded by foreign means.

Strongly agree Agree Do not know Disagree Strongly disagree NA

60. Foreign funders ALWAYS make random visits to the organisation to check on programme progress.

Always Sometimes Do not know Rarely Never NA

61. Foreign funders MUST provide notice before making visits to the organisation to check on programme progress.

Always Sometimes Do not know Rarely Never NA

62. Foreign funders have to ALWAYS approve programmes that they will fund.

Strongly agree Agree Do not know Disagree Strongly disagree NA

63. Foreign funders are BETTER informed on what the local community service needs are.

Strongly agree Agree Do not know Disagree Strongly disagree NA

64. Foreign funders ALWAYS know what is best for the organisation, in terms of what programme(s) the organisation should be taking on and running.

Strongly agree Agree Do not know Disagree Strongly disagree NA

65. Local NGOs should NEVER be controlled by foreign national(s).

Strongly agree Agree Do not know Disagree Strongly disagree NA

SECTION E: PERCEPTIONS OF EMPOWERMENT VERSUS CONTROL

This section deals with local and foreign funding and their empowerment of organisations that they fund.

66. The budget MUST provide for training of staff.
 Always Sometimes Do not know Rarely Never NA
67. Previous local funders ALWAYS provided funds for staff development and training.
 Always Sometimes Do not know Rarely Never NA
68. Senior local national(s) staff within your organisation mentor local staff member(s).
 Always Sometimes Do not know Rarely Never NA
69. ALL staff members ARE mentored by an individual appointed by a local funder.
 Always Sometimes Do not know Rarely Never NA
70. Local funders ALWAYS provide training focused on skill development for local staff members.
 Strongly agree Agree Do not know Disagree Strongly disagree NA
71. Local funders INSIST that staff within the organisation have a university degree.
 Always Sometimes Do not know Rarely Never NA
72. All locally funded programme staff MUST report to local funders on programme progress.
 Always Sometimes Do not know Rarely Never NA
73. Previous foreign funders ALWAYS provided funds for staff development and training.
 Strongly agree Agree Do not know Disagree Strongly disagree NA
74. Senior foreign national(s) staff within your organisation mentor local staff member.
 Always Sometimes Do not know Rarely Never NA
75. ALL staff members ARE mentored by an individual appointed by a foreign funder.
 Always Sometimes Do not know Rarely Never NA
76. Foreign funders MUST provide training focused on skill development for local staff members.
 Strongly agree Agree Do not know Disagree Strongly disagree NA
77. Foreign funders INSIST that staff within the organisation have a university degree.
 Strongly agree Agree Do not know Disagree Strongly disagree NA
78. All foreign funded programme staff, ALWAYS report to foreign funders on programme progress.
 Strongly agree Agree Do not know Disagree Strongly disagree NA
79. Foreign funders ALWAYS provide local staff members with the opportunity to receive further training.
 Strongly agree Agree Do not know Disagree Strongly disagree NA
80. Local staff are capable of replacing foreigners should they leave the organisation.
 Strongly agree Agree Do not know Disagree Strongly disagree NA

SECTION F: ORGANISATION FINANCES AND FUND RAISING ABILITY

81. The organisation's financial position is VERY GOOD.
 Strongly agree Agree Do not know Disagree Strongly disagree

82. What was your organisation's single greatest expenditure as reflected in your last audited financial year?

83. What was your organisation's single greatest expenditure as reflected in your last audited financial year?

Income

Expenditure

84. Rank your organisation's expenditure from highest to lowest (i.e. 1=biggest expense, 8=least expense)

- | | | |
|--------------------------|-----------------------------------------|------------------------------|
| <input type="checkbox"/> | Salaries | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | Maintenance | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | Accommodation/ Rental | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | Food | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | Administrative requirements | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | Equipment (purchase and/or maintenance) | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | Miscellaneous costs | <input type="checkbox"/> N/A |
| <input type="checkbox"/> | Other (specify) | <input type="checkbox"/> N/A |

85. Does your organisation have a fundraising strategy?

- Yes No Unsure

86. Does your organisation have a fundraising plan?

- Yes No Unsure

87. Indicate the exact or approximate percentage (%) of your organisation's source of funds.

Origin of funds (%)

Local	<input type="text"/>
Foreign	<input type="text"/>
Do not know	<input type="text"/>

88. It is very EASY to raise funds for CAPITAL expenses (i.e. long term assets namely; cars, buildings, equipment).

- Strongly agree Agree Do not know Disagree Strongly disagree

89. It is very EASY to raise funds for OPERATIONAL expenses (i.e. everyday expenses namely; bills, rent, salaries, maintenance).

- Strongly agree Agree Do not know Disagree Strongly disagree

90. It is very EASY to raise funds for PROGRAM expenses (this is as relates to the program(s) the organisation runs, NOT for general organisational use).

- Strongly agree Agree Do not know Disagree Strongly disagree

91. From the list below, what is your organisation's main difficulty when it comes to raising funds?

Indicate appropriate response

- | | |
|------------------------------------------------------------------------------|--------------------------|
| Increased competition for already limited resources | <input type="checkbox"/> |
| Poor fundraising capacity | <input type="checkbox"/> |
| Programmes run by the organisation do not obtain funds easily | <input type="checkbox"/> |
| Bad reputation of the organisation | <input type="checkbox"/> |
| Insufficient funds within the organisation to conduct fundraising activities | <input type="checkbox"/> |
| Organisation does not meet criteria put forward by funder(s) | <input type="checkbox"/> |

Other (please specify)

92. Our organisation uses the following method to fundraise.

*Indicate as **MANY** as appropriate*

Fundraising activities (sales, special events etc.)

Membership fees

Investments

Writing funding proposals

Personal meetings with donors

Renting out office space

Other (please specify)

SECTION G: PERCEPTIONS OF FUNDRAISING ABILITY

93. Our organisation is VERY SUCCESSFUL at fundraising.

Strongly agree Agree Do not know Disagree Strongly disagree

94. Enough organisational resources are provided for fundraising.

Strongly agree Agree Do not know Disagree Strongly disagree

95. Obtaining funding is ALWAYS simple if you know where to go.

Strongly agree Agree Do not know Disagree Strongly disagree

96. Funders make it a requirement that recipients of funds include a line item within the budget for fundraising.

Strongly agree Agree Do not know Disagree Strongly disagree

97. Sourcing funders has become EASIER over the years.

Strongly agree Agree Do not know Disagree Strongly disagree

SECTION H: FINANCIAL SUSTAINABILITY AND THE WAY FORWARD

98. Does your organisation have financial reserves?

Yes No Unsure

99. If answered yes to Question 98 above, for how many DAYS would your reserves last if no more funding was received?

100. The organisation has the ability to source funds locally should international funding cease.

Strongly agree Agree Do not know Disagree Strongly disagree

101. In future the organisation should focus on programmes in line with its primary field of service.

Strongly agree Agree Do not know Disagree Strongly disagree

102. Funders MUST provide training on fundraising annually to enable the organisation source local funds.

Strongly agree Agree Do not know Disagree Strongly disagree

103. What would you like to see going forward in terms of donor organisation relations?