FUNDING MOBILIZATION IN NON GOVERNMENTAL ORGANIZATIONS: A CASE OF WORLD FOOD PROGRAMME

BY

MWANGI IKUA DENNIS

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

FALL 2018
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MWANGI IKUA DENNIS

A Research Project Report submitted to the Chandaria School of Business in Partial Fulfillment of the Requirements for the Degree of Master in Business Administration

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

FALL 2018
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to, any other college, institution or university other than the United States International University—Africa in Nairobi for academic credit.

Signed: _______________  Date: _______________________
Mwangi Ikua Dennis ID NO-652650

This project has been presented for examination with my approval as the appointed supervisor

Signed: _______________  Date: _____________________________
Dr. Francis Mambo Gatumo

Signed: _______________  Date: _____________________________
Dean, Chandaria School of Business
ABSTRACT

The purpose of the study was to investigate the challenges faced by NGOs in mobilization of funds for operation using the case of World Food Programme. The study was guided by the following research questions; What are the key sources of NGO funds? How do challenges faced by NGOs in raising funds prevent them from fulfilling their goals and objectives? How sustainable is the funding of NGOs?

The study used a descriptive survey research design with a cross-sectional approach. A descriptive research design is used when the problem is well defined, and the researcher knows something about the problem. The sample size for this study was 50 employees of the world food programme in which primary data was collected using a structure questionnaire. The analysis and interpretation applied both the descriptive and inferential statistics. Descriptive statistics such as mean, standard deviation and frequency distributions was used to describe the study variables. Inferential statistics including correlation and regression analysis was used to determine the relationship between the variables. Primary data was analyzed using Statistical Package for Social Sciences (SPSS version 25) and presented in tables and figures to present the findings.

The findings revealed that there was a strong relation between key sources of funds for the NGOs and mobilization of funds for the NGOs. On the second objective, there was a weak negative relationship between challenges and mobilization for funds for the NGOs. This implied that the challenges that the NGOs face is not associated with increased mobilization of funds for the NGOs. Thirdly there was a strong relationship between sustainability of funds and mobilization of funds for the NGOs. This implied that sustainability of funds is directly associated with increased mobilization of funds in the NGOs.

The results of the adjusted $R^2$ indicated that 47.6% of the variations in mobilization of funds are accounted for by the variations in sources of funds, 60.5% of the variations in mobilization of funds is accounted for by the variations in challenges, lastly results of the adjusted $R^2$ indicated that 34.8% of the variations in mobilization of funds are accounted for by the variations in sustainability of funds. ANOVA results showed that the independent variables were statistically significance in predicting how sustainability of funds, sources of funds, and challenges to determine Mobilization of funds in the NGOs.
The study concludes on the first objective that the NGOs receive funds from the private sector and they also receive grants from the donors which facilitates the operations of the organization. The funding of NGOs through local NGOs is identified as providing the opportunities for apprenticeship, social services and enterprise development. Secondly the study concludes that rules and regulations that govern accessing and applying for government funds and resources make it difficult for organizations to access resources for the NGOs. Thirdly the study concludes that NGOs should use their assets to develop comprehensive mission driven member service packages to attract funding from membership fees and NGOs should enter into joint contractual fee-based partnership with public or private sector to carry out mutually beneficial service to the community.

The study recommends on the first objective that they should have strong relationship with the key donors both local and the international organizations as this will increase their level of funding in future. Secondly the study recommends that the NGOs should apply and be flexible on the conditions on aid for the donors as this will enhance accessibility of funds. Lastly the study recommends that resource mobilization in the NGOs should be focused on fund raising from both international institutional and local donors. On further studies, the study recommends that a similar study should replicated to other international donors such as the United Nations Children's Fund, and the UN Refugee Agency. The study might look into other factors such as the challenges for implementations of the projects, financing and operations of the projects for the NGOs.
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DEDICATION

I dedicate this project to God Almighty my creator, my strong pillar, my source of inspiration, wisdom, knowledge and understanding. He has been the source of my strength throughout this program and on His wings only have I soared.

I also dedicate this work to my family; who have encouraged me all the way and whose encouragement has made sure that I give it all it takes to finish that which I have started.

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<td>ABC</td>
<td>African Braille Centre</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<tr>
<td>MSH</td>
<td>Management Sciences of Health</td>
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<td>PPP</td>
<td>Public, Private Partnership</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the study.

Non-government organizations (NGOs) are non-profit organizations normally established by individuals to work with charity and philanthropic aid locally and internationally. NGOs belong to the society instead of the government. The NGOs are usually funded by the government, private donors, or for-profit organizations. In Kenya, NGOs include political organizations, churches, trade unions, solidarity and interest groups, separated from government and sometimes funded by International Development Cooperation Agency and private donors. They were originally involved in missionary and voluntary activities and in cooperation with developing and developed countries (Sheate & Partidário, 2010).

After 1970s, environment aid started to be involved into the activities of NGOs. In general, NGOs are occupying the charity and humanitarianism advocacy, working in developing and developed countries, making efforts both in civil society and in government, and protecting human rights for both minorities and the majority. They consist of people who come from the civil society and work for the social sector. Income from grants is originally the dominating way for NGOs to maintain their interior management and exterior social assistant services. Voluntary is the core ideology of NGOs. A great amount of NGOs’ social work are conducted primarily by volunteers who voluntarily agree to receive lower compensation because their motivation is to make some contribution to the society rather than make money (Kaplan, 2001).

The norm has been that NGOs have relied on the philanthropy of kind-hearted and the giving of others to cover the costs of their activities through grants, aids donations and contributions (Drabek, 2011). Today however, NGOs find it difficult to mobilize funds the traditional way as most sources of funds are unable to meet the growing needs of organizations and the rising costs associated with the operations (Viravaidya & Hayssen, 2010). According to Azcarate, and Balfors (2013), restrictive conditions on grants and donations and unlikelihood of mobilizing funds over the years, becomes a challenge for NGOs to take on long-term planning, improve their service offering’s or accomplish their full potential.
If the expenses on the main activities of NGOs surpass the grants and donations available, the NGO is forced to cut down the quality or the quantity of its core mandate, or to pursue new sources of funds to accommodate the difference (Bryman, 2012) inadequate funds mobilized limit the quantity and quality of the important work that NGOs do (Mueller-Hirth, 2012). Inadequate resources are a basic fact of economic life in rich and poor countries. It affects the international organizations as well as the domestic NGOs from rural development agencies to health care providers, education and training institutes. In this case, the manager of NGOs have to pay as much attention to mobilizing funds as they do to using those funds (Sheate & Partidário, 2010). An annual funding mobilized analysis by UN Aids and the Kaiser Family foundation, released in 2010 shows that funding from 15 of the words largest donors dropped by 10% in 2010 for the first time in a decade (Mavuto, 2013).

With population growth the number of vulnerable groups needing various forms of assistance from NGOs also increased (Kiondo & Mtatifikolo, 2012). In view of this, the charitable organizations ever more find that grants and donations are insufficient to meet existing Programme needs and there are much less resources to enlarge Programme activities. With so many noble needs that are competing for the kindness, consideration, attention and generosity of the community, even financially able donors lack the possessions to fund every worthwhile initiative (Azcárate & Balfors, 2013). NGOs face mounting staff costs and other Programme or project inputs which further damage their inefficient budgets. Dependence on grants and donations can also reduce the independent functioning of NGOs especially on selecting which Programme activity to on board and choosing important & effective interventions approaches to achieve Programme goals (Kiondo & Mtatifikolo, 2012). Often donors have their own agendas and views as to which efforts are consequential and the best intervention strategies to address them. NGOs managers are therefore obligated to follow the money and allow the donors to state the scope and direction of their interventions or else obtain no financial support at all (Dhakal, 2007).

Another challenge for NGOs management is that many financial grants and donations have limitations of the type of interventions initiatives they cover. For example most donor funds cover only direct Programme expenses, but excludes the cost of support services as well as the other fixed costs incurred by the NGOs (Sera, 2010). The NGOs must therefore find
ways of contributing to cover the recurring expenses. The NGOs that are currently not privileged to be funded in their operations also face challenges over future support (Batti, 2014) underscores that if the challenges the NGOs address are still around in, ten to twenty years, donors may withdraw funding the entities. The unpredictability of donor funding makes it difficult for the NGOs managers to plan and pursue their organization’s goals and visions. This situation forces the NGOs to abandon or down size a project and fail to realize the project to its editing lack of long-term plans for expanding the core activities or improving the quality of Programme services.

Thus, it is observed that today’s NGOs managers face an increasing challenge in mobilizing funds to meet their operational needs. This is because there are increasing project costs while there is competition for funds with a dynamic restrictive environment for obtaining financial in form of grants and donations (Sera, 2010). These challenges deter NGOs and the beneficiaries from achieving their full potential including the very effects on continued existence of the NGOs. The big challenge therefore is for the NGOs to identify ways and means to achieve their financial sustainability without compromising their basic vision’s and missions. In view to these challenges, there is no measurable way, put in place to meet the challenge. NGOs are very different in terms of their mission, philosophy, client bases, projects, programmes, expertise and skills, know-how and experience (Kiragu, & Njue, 2013).

The improving financial stability is a significant part of the planning and management for all NGOs. Becoming completely self-sufficient of donors may be a suitable goal for all NGOs, while trying to raise finances to cover overhead costs. Some NGOs also determine that reliance on grants and donations, in the short while, is a mobile approach (Viravaidya & Hayssen, 2010). It is thus suitable for each NGO manager to think about various funding options and choose an appropriate nix of funds enlistment, just as they must determine which critical initiatives and implementation strategies (Sera, 2010).

A number of NGOs in Kenya are experiencing a cringe of funds. Lack of adequate funding affects the smooth running of organizations, particularly if there are no staff remunerations for their services. The level of output drastically goes down under such circumstances. (Dhakal, 2007). Good performance leads to organizational growth and this can only be backed by financial incentives that keep the staff motivated in discharging their responsibilities. Many NGOs are reducing the size if their staff while others are shutting
their doors due to lack of funds to manage their activities and programmes (Viravaidya & Hayssen, 2010). A good example of NGOs ranges from Management Sciences of Health (MSH), Save a Life, African Braille Centre (ABC), Red Cross and others just to mention. Some circumstances do not seem to be encouraging for vibrant civil society. A vibrant civil society requires a more informed citizenry, especially citizen that are more informed about policy related strategies that can be effectively implemented to improve the lives of people at the grassroots (Lyne, 2008).

Another case scenario that creates uncertainty over donor funding for NGOs is the continuity of the organizations. The uncertain continuity of donor funding, forces NGOs to live a project to project existence which makes it difficult to design and expand project activities to improve the quality of services (Kiragu & Njue, 2013). A common observed fault that NGOs make is overreliance on a single source of funding. When that source declines or ceases, the organization struggles to generate new funding when it is too late, hence Programmes are compromised or terminated. Therefore, the task facing NGOs currently and, in the future, is and will be to explore additional mechanisms to boost financial stability without sacrificing the mission of their organization. The issue of achieving sustainability among NGOs continue to be a challenge to the organization professionals, fundraisers, donors and policy analysts (Viravaidya & Hayssen, 2010). This also represents perhaps one of the greatest obstacles for NGOs such as World Food Programme (WFP).

World Food Programme assists 80 million people in around 80 countries each year, the World Food Programme (WFP) is the leading humanitarian organization saving lives and changing lives, delivering food assistance in emergencies and working with communities to improve nutrition and build resilience. The World Food Programme is the world's largest humanitarian agency fighting hunger worldwide. In emergencies, we get food to where it is needed, saving the lives of victims of war, civil conflict and natural disasters. WFP is part of the United Nations system and is voluntarily funded.

World Food Programme is currently facing an unprecedented funding gap, estimated at USD 3 billion, leaving 30 million men, women and children without the lifesaving assistance they need. To help close this gap, a new vision for private sector engagement is required. The proposed 2018–2022 private sector partnerships and fundraising strategy will mark the first time that WFP makes the strategic choice to invest in an ambitious private
sector growth plan (Programme, 2018). In this regard, World Food Programme (WFP) helps to fill a void for the service that the government can’t provide. Sometimes the government funds these organizations and sometimes these are grassroots organizations which are created to bring together people for a specific cause. With the tough economic conditions, the charitable contributions made by individuals, government grants for Programmes reduce the size of the project endowments, decrease in philanthropic efforts, reduced income and limited volunteer participation (Banks, Hulme, & Edwards, 2015). Thus, it is crucial to comprehend what resources are existing and take steps to minimize them in the dynamic environment. Understanding how to secure greater resources, both human and financial will be a huge benefit to any NGOs that work together for the benefit of achieving success (Kiragu & Njue, 2013). Therefore, there is need to improve ways of funding and open doors of improving the organization services.

NGOs involved in the development process have had insurmountable challenges in accessing sustainable funding to sustain their operations. In this context, this study assesses the influence of funding on the management and sustainability of local NGOs. This study critically reviews the available avenues civil society governance literature, and the challenges for raising of funds, such as NGOs, for efficient funding.

1.2 Statement of the Problem

There are a number of studies that have been carried out on the topic. (Ochieng, Mala, Mumbo, Aila, & Odera, 2012) examined the issues and challenges facing financing of local Non-Governmental organizations in Kenya Kajiado county Isinya specifically. The study revealed that local NGOs obtained their funds mostly from International Non-Governmental Organizations. The study asserts that weak resource base has remained a major challenge that has contributed to stagnated or collapsed of noble initiatives. It is on this basis that this study research to analyze the challenges facing NGOs in raising of funds within (WFP). This limits the scale of local NGOs interventions. Batti (2014) reviewed challenges facing NGOs in resource mobilization and confirmed that rely on the generosity of donors to sustain their initiatives and Programmes through aid, grants and donations. There is however limited studies on how NGOs can attain sustainability in the wake of the challenges facing them. Okorley and Nkrumah (2017) for instance concluded that the survival of NGOs can be improved if they are able to develop and implement need-based
and demand-driven programmes, supported by good leadership, transparency, accountability, and commitment to meet felt and expressed needs of beneficiaries.

World Food Programme, (2018) study recognized that the funding sources for NGOs by donors are frequently inadequate to meet the needs and rising costs for project implementation and monitoring. In the same study by World Food Programme, (2018) on the effects of marketing for fund raising among NGOs in Kenya were noted. The study established that there was positive relationship between the levels of funding of World Food Programme, and availability of funds. However, the extent to which local NGOs experience challenges in sourcing for these funds is undocumented and the issues vary from one organization to another. The absence of funds will strain the NGOs activities. Hence the need for this study.

1.3 Purpose of the Study

The purpose of this study was to investigate the challenges faced by NGOs in mobilization of funds for operation using the case of World Food Programme.

1.4 Research Questions

The research questions were as follows;

1.4.1 What are the key sources of NGO funds?
1.4.2 How do challenges faced by NGOs hinder most of their goals and objectives?
1.4.3 How sustainable is the funding of NGOs?

1.5 Importance of the study

The study findings are deemed to benefit a number of stakeholders

1.5.1 Non-Governmental Organizations

The findings from this study help NGOs to achieve long term sustainability. The study offers strategies to help the organization improve quality of life among communities by responding to local needs, providing new solutions to problems which may be quite old. The surest indicator will be for the organization to mobilize resources to meet the local needs of the community. Every NGO can apply its resources that are used to implement projects that respond to local needs.
1.5.2 General Public

The provision of resources for NGOs contribute to community implementation of community projects that benefit individual citizens, local government, businesses, institution, and various other stakeholders. Thus, having access to financial resources leads to long term sustainability of the NGOs.

1.5.3 Donor Agencies

The findings from this study help NGOs to develop a good relationship with the donors. This relationship helps NGOs in their endeavors for funding within the framework of transparency and collaboration. This factor is essential for building trust which is essential for resource mobilization. Good personal relationship is just as important as strong professional relationship between organizations. The findings from this study therefore encourages donor funding directed to NGOs with the capacity to implement Programmes as required.

1.5.4 Policy Makers

Policy makers and diverse supporters of NGOs have key vested on attainment of financial sustainability of these organizations. This paper therefore encourages stakeholders from Non-Governmental Organizations Co-ordination Board to enhance their efforts towards promotion of institutional development for the NGOs. These NGOs make the world and the globe a better place. The findings from the study ensure that the NGOs continue to grow and prosper.

1.5.5 Researchers and Scholars

The findings from this are of importance to researchers and scholars. The results enable academicians to come up with tentative solutions and strategies in outlining the most appropriate strategies for mobilizing resources for NGOs.

1.6 Scope of the Study

This study was limited to World Food Programme (WFP) in Kenya. The study focused only on two areas of operations: Advocacy and Fundraising where resource mobilization is crucial. The study administered questionnaires to regular and top management staff members working with the organization. The study was conducted in Nairobi where World
Food Programme (WFP) offices are located. The period of study was as from September 2018 to October 2018.

1.7 Definition of Terms

1.7.1 Capacity

Capacity refers to the abilities or skills needed to achieve objectives, and capacity development to the means to use and develop these skills (Sera, 2010).

1.7.2 Mobilizing Funds

This is the act of persuading people or organizations to raise money for a cause. Mobilizing is the activity of collecting money to support a charity or political campaign or organization (Viravaidya & Hayssen, 2010).

1.7.3 Non-Governmental Organizations

Resource mobilization is a process whereby both financial and nonfinancial resources are mobilized either externally or internally to support organization activities (Gyamfi, 2010).

1.8 Chapter Summary

This chapter addresses the background of World Food Programme (WFP) and sources of funds. The chapter provides insightful information on the sources and challenges faced by NGOs in sourcing of funds. This chapter also presents the research problem as identified from study gaps, the purpose of the study and the research questions there from. Definition of key terms used in the study. Chapter two presents review of literature on the study. The literature is reviewed based on the topic of the research questions highlighted in Chapter one. Chapter three presents the research methodology that was used in the study. Chapter four presents the results and findings and lastly chapter five discuss the research questions, conclusions and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on the challenges faced by NGOs in mobilization of funds for financing their operations. The review of the literature tries to answer the following questions: What are the key sources of NGO funds? What are the challenges faced by NGOs in raising funds? What are the suitable initiatives for ensuring sustainability of NGO funds? The chapter summary is at tail end.

2.2 Sources of NGO Funds

2.2.1 Private Sector Funding

According to Gyamfi, (2010), asserts that NGO funding comes from three main sources namely; public sector, internally self-generating income, and private sector. The authors found that 10 percent of the Local NGOs funding come from private charitable giving; 43 percent come from government support and public sector payments, including grants and contracts; and 47 percent come from private fees and payments, often originating in the sale of services or products. Gyamfi, (2010) opine that over reliance on the private sector funding could drive the charitable institutions away from their philanthropic roots and provides a competitive challenge with other private sector businesses.

According to Moy and Morant (2011), internally self-generated finance is a basic source of funding for charity organizations established to account for up to 43 percent of the domestic NGOs total funding. Private contributions through individual, corporate and foundations account for 30 percent of local NGOs total income. Government financial support is also a key NGO financial supporter contribution up to 27 percent of total NGOs income.

A review of funding to domestic NGOs in Uganda by Barr et al. (2005) established that the multinational NGOs grants explained nearly half of the total funding. A source following international NGOs grants is funding from bilateral donors. Grants from the local government are the third source. The study opines that the average NGO is more likely to be dependent on non-grant income especially because they are less likely to be beneficiaries of financing from the three identified sources as; Multinational NGOs, bilateral donors’ grants and local government grants.
Furthermore, Barr et al. (2005) discovered that the domestic NGOs derived very little revenue from self-generating activities targeting members and non-members. From internally generated finance, the authors opine that only one third of the NGOs have established and own a business whose profits are useful to fund the NGO initiatives. Again, Barr et al. (2005) single out the high concentrating of a small number of NGOs that account for majority of the domestic NGOs enterprises. The types of business run by Ugandan NGOs according to the authors are extremely varied, with farming, restaurants and retail outlets being most common. Business income, fees paid by beneficiaries and other income are more important sources of revenue for small NGOs than for large ones.

In countries with good economic growth and an actively vibrant private sector NGOs consider the corporate organizations as a key source of financing. According to Markham and Fonjong, (2015), the corporate entities establish the CSR agenda to enhance social justice, equity and economic development. The author identifies various sources of donations and gifts but notes that donations and gifts may be beneficial in the short term but be a challenge in achieving NGO fund sustainability in the long term. Also, some corporate agencies are established to be forming partnership with NGOs in pursuit of joint profit-oriented projects.

According to Mathews (2017), NGOs receive goods and services as donations from some other institutions and individuals for Programme implementation. Donations come in form of items provided free of charge to the beneficiary NGOs, as well as implements available at a subsidized cost. The efforts of volunteers and interns are sometimes considered as donations and embraced as philanthropic actions. Matthews, (2017) provides the example of medical nurse who volunteers, maybe while on annual leave, to work with the Programme of the NGO. If the nurse receives no remuneration of tokens of appreciation for the volunteerism the nursing services the services are considered free to the projects. If the nurse receives some lunch allowance, transportation, costs reimbursements or some tokens appreciation for the volunteerism, the nursing services are not free, but are very much below the actual cost to the project for hiring nursing services. On instances that the donation involves equipment, the market value of the equipment is treated as the cost for the project.

Mathews (2017) explains that NGOs typically rely on volunteers for Programme implementation. Often, the volunteer obtains no remuneration from the NGO though
sometimes some financial payments like stipends or tokens of appreciation are provided. Normally, local NGOs have not documented well the information on number of volunteers involved in a Programme, amount of time each volunteer contribute to the Programme and services provided by the volunteers’ leads to the appreciation of such workers when considering the expansion or replication of the Programme elsewhere, also, the provision of a level playing field when considering the costs and outcomes leads to the achievement of various NGO Programmes elsewhere.

Gyamfi (2010) provides a rider that a Programme implemented with the support of volunteers might look attractive and inexpensive. However, such information would be misleading in a scenario for replication of a similar Programme in a different context where there is absence of volunteers with comparable attributes, credentials or qualifications. According to Mathews (2017), charitable institutions provide technical and financial resources to the NGOs; however, failing to record any donations from charities may fail to determine the credibility and feasibility of the organization projects.

2.2.2 Fees and Self-Generating Income

Self-generating income for NGOs includes membership subscriptions, fees and charges for services (that is, economic activity) and income from investments. Moy and Morant (2005) opines that within bounds of defined limitations, the NGOs are able to involve themselves directly in economic initiatives are exempted from taxation to some extent. The external sources could come from national governments or corporations. Internal sources could also come from governments, corporation and business income.

2.2.3 Public Sector Funding

The public sector provides various types of subsidies to non-governmental organizations (NGOs). Government funding includes a broad range of direct and indirect support. A study by Marham and Fonjon (2015) highlight that one-third of NGOs funding come from governments through varied avenues such as contracting, subsidies and government grants including exemptions from taxation that are also considered a government subsidy. Most embassies of economically developed countries representing their interests in developing countries also fund and support activities of domestic NGOs.
2.2.4 External Funding for Local NGOs

According to Andreas (2005), availability of international funding sources is surely indispensable in the initial stage of local NGO sector. Contributing to the same discussions, Marham and Fonjon (2015) illustrated that local NGOs in Cameroon are predominantly funded externally with private sector support from rich individuals, government and public as well as private corporations.

In Uganda, according to Fafchamps and Trudy (2006), grants account for up to 80 percent of domestic NGOs funding. In Anglophone Cameroon, Marham and Fonjon (2015) agreed that dependency of NGOs on external funding provides different results on the possible impacts of donations provided for the NGOs sustainability. From the positive perception, external funding through state or local NGO strengthens a mutual relationship. The funding of NGOs through local NGOs is identified as providing the opportunities for apprenticeship, social services and enterprise development.

Andreas (2005) singled out the strong dependency on external funding by NGOs as the severe problem for the long-term sustainability and development of NGOs. International donors work on their own objectives and project management manipulation, and local NGOs have to match to their requirements in order to be supported financially. As NGOs have to respond to the changing needs if their local membership, the creative development of local NGOs could be constrained by the standardized assessment method of foreign governments and international foundations (Bolotaeva & Cata, 2011).

2.3 Challenges Faced by NGO in Raising Funds

2.3.1 External Challenges

Allard, Agrella and Martinez, (2008) explained that global economic changes have generated new economic disparities as well as changes in the form and depth of poverty in both the developing and developed world. Competitive pressures further limit the ability of governments to respond with social Programmes. These profound changes raise new issues about the role and future of voluntarism in a world where state resources for human services have eroded and where solutions to global poverty and war continue to be elusive.
2.3.1.1 Donor Country Priorities Changing

Many at times NGOs face dictation of priorities from donors hence organizations shift focus or are not eligible to apply for the funds as they are not meeting the donor priorities. (Parks, 2008) noted that an NGO faced shortfalls when the major bilateral donors were shifting priorities towards economic development and others outside the traditional scope of the organization.

2.3.1.2 Criteria being Used/Applied to Organizations

Donor’s preferences continually change as they become increasingly selective. One notes that different donors apply different conditions on aid, for example specify projects that can be supported within their budget, working in partnership or collaboration with others, geographic cover, sector and a properly constituted organization (Schneiker, 2016).

2.3.1.3 Conditional Ties imposed by Donors

In the dynamic donor globe, the funding trends are continually changing. Donors are using basket funding or sometimes shift in funding from NGOs to focus on government institutions and hence the NGOs end up competing for the same funds with the government institutions that have resources and capacity to mobilize for resources. Bryman, (2012) and Moutard (2013) state that restrictions given to organizations for example not allowing them to engage with another donor during the period they are funding the organization also affects NGOs from diversifying their donor sources.

2.3.1.4 Political Influence and Interference

Government policies and political climate are noted by (Frostenson, 2013) to increase bureaucratic red tape for NGOs mobilizing resources externally. In practice, on occasions of political instability, donors do not release funds or at times, they reduce or impose severe measures. According to Gymafi (2010), Government perceptions and attitude of NGOs have not been excellent in many African countries and some organizations have been considered by the government as a danger. This scenario has in the past caused deregistration and restrictions for fund sourcing funds from external donors in Ethiopia.

2.3.1.5 Rules and Regulations within a country for Accessing Government Funds

The rules and regulations that govern accessing and applying for government funds and resources make it difficult for organizations to access resources. Currently in Kenya, the
policy of funding one CBO or NGO bi-annually, per division is demands an obstacle to the resource empowerment for the NGOs (Caesar, 2015).

2.3.1.6 Donor Prejudices

Organizations having good track record easily access funding and resources. Instances of funds or resource embezzlements are considered very serious as the donors talk amongst themselves on who has done what and thus, a good track record is important. According to an article published by (Irin, 2008) many young organizations face the challenge of not being known and donors do not give money as they are not aware of the organization competencies or track record.

2.3.1.7 Natural and Manmade Occurrence

When natural disasters occur most donor funds get diverted to support relief Programmes and many local NGOs lack the capacity or expertise to undertake relief projects and during this time fewer funds are directed to normal development Programmes (Kim & Nunnenkamp, 2014). Countries that are experiencing conflict experience a decrease in resources available to NGOs as donors do not want to fund NGOs in areas of conflict as perceive the funds will be diverted and purchase of weapons or it will become difficult to attain results in conflict prone areas (Banks et al., 2015).

2.3.1.8 Competition from “Political NGO”

Some NGOs are directly or indirectly associates or associated with political entities within their countries leading to lobbying development agencies for funding to ‘alleviate poverty’ in their constituencies and hence those with no political association end up not accessing the much required funds to support genuine cases of education and poverty (Ulleberg, 2009).

2.3.1.9 Competition among NGOs in the Same Sector

Resource duplication is also identified in the operations of NGOs. For example, where there are about ten or more NGOs within the same geographical area, and all offer the same services at the expense of other areas that require the resource’s or services. This raises rivalry among the NGOs instead of coming together and most times these are not the areas where the donors what to focus on (Sheate & Partidário, 2010). There is also a challenge of increased competition between NGOs for funds especially against bigger, established
NGOs that are known by international donors due to their involvement in relief activities during disasters. This puts the emerging NGOs under immense pressure to prove themselves to international donors of their capability to manage resources where aid flow is minimal (Aldashev & Verdier, 2009).

2.3.1.10 Type of Networks Involved

NGOs networks involvement and engagements may hamper their ability to mobilize and access resources. This is because some networks are not well thought out and hence organizations do not gain visibility, experience or access to new avenues for resource mobilization. In some instances, the networks that the NGOs joined do not add value in their efforts for resources mobilization (Forum, 2009).

2.3.2 Internal challenges

Additionally, NGOs have internal challenges on implementing projects. It is expected of them that the NGOs initiate, design and implement projects that can be scaled up by donors and governments.

2.3.2.1 Capacity Limitation within Organizations

There is significant capacity limitation among indigenous NGOs in terms of human resource and due to having sufficient staff then to pursuing appropriate funding or resources remains elusive to many (Carmin, 2010). For example in Czech Republic, Hungary, Poland and Slovakian, it was noted that the NGOs in operation in one cluster was crowded due to the same area of concentration. Mostly in environmental conservation and education to the community. Approximately 50 CBOs accounted for one sample size which was populated in one area but operated differently that is operated locally and international (Carmin et al., 2010).

2.3.2.2 Accountability and transparency

Most organizations fail in the two tenets (anchor) of good governance, namely; transparency and Accountability. NGOs sometimes fail to meet the requirements of imposed on a country or donors legal system, regulations and this makes them lose the public’s trust Viravaidya and Hayssen (2010), Many organizations lack sound systems for financial management, ensure they consistently earn stake holders trust (Rob Gray, 2005). For example, organizations have been accused of excessive or improper compensation for
chief remittance of taxes and unethical behavior. These accusations bring suspicions on the transparency of NGOs and stringent measures are imposed that make it even more difficult to get resources (Carmin et al., 2015).

2.3.2.3 Founder Syndrome

Local organizations’ also face leadership syndrome. This is whereby the founder or founders tend to control and manage the affairs of the organization with minimal participation from other members (Kiragu & Njue, 2013). For example a CEO or board members will not allow other staff to engage in resources mobilization or the leaders become too comfortable with the current methods of resource mobilization and are not willing to explore other new ways (Viravaidya & Hayssen, 2010).

2.3.2.4 Inadequate Strategic and Operational Plans

Local non-governmental organizations do not have in place strategic plans that guide them on what the objectives are and enable them to identify the resources needed to attain the said objectives. Most strategic plans developed by NGOs are for donor purposes only and they fail to reflect the actual needs to be addressed by the stakeholders (Ulleberg, 2009).

2.3.2.5 Inadequate Networking Skills

Though rarely practiced, Networking is a common term frequently used by NGOs sector to many African countries. According to Viravaidya and Hayssen, (2010) large NGOs could diversify the key funding resources than the smaller domestic NGOs due to their easily recognizable established names, logo, trademarks and technical skills which are useful for initiating commercial ventures. As highlighted by Ulleberg (2009). Externally, larger NGOs have various significant contacts and connections with the donors. Internally, the larger NGOs pride of vast experience in adapting to organizational change and adopting new Programmes. Additionally, it is instructive that large NGOs have a larger requirement for seeking outside funding given the high support services and overhead costs associated with large projects Programmes. The smaller NGOs that lack networking skills are often observed as competitors for resources other than working together towards common interests of the community. As explained by Sera (2010) most donors are seeking to fund organizations that are in networks or working together.
2.3.2.6 Inadequate Awareness on Available Opportunities

Windows of opportunities also exist within some countries that at times, NGOs fail to exploit due to lack of awareness that the opportunities really exist. Beverly, Galama, Anneke, and Tongeren, (2012) indicates that the government funds available were not accessed by civil society organizations due to inadequate awareness about the availability and the procedures required to access the funds. On the other hand, NGOs that have become aware about the available opportunities to raise funds have led to the generation of profits from various activities. Viravaidya & Hayssen (2011) cite environmental NGOs that operate tourism businesses and also publish nature books alongside owning eco-enterprises producing profits and supporting environmental awareness. Some of these NGOs sell various promotional objects so as to earn revenue while at the same time disseminates information about the organizational overall intent.

2.3.2.7 Governance

NGOs in many countries do not have effective governance structures and where a board exists, they are rarely effective in providing strategic leadership in ensuring resources are mobilized. Mercer (2002) opine that boards are expected to offer guidance and oversight to the activities of the NGOs, however many boards are not aware of their role in resource mobilization and search. Many times, NGOs did not have governance instruments such as constitutions, policies and guidelines and this tended to scare off potential donors (Ulleberg, 2009).

2.3.2.8 Minimal Communication and Branding

Most NGOs are unable to communicate effectively about themselves their visions, missions, goals and outcomes. The limitation to communicate means the visibility of the organization is low and they are not able to effectively market their Programmes (Viravaidya & Hayssen, 2010). This ultimately affects their mobilization of resources. Many at times organizations lose the opportunity to get resources as donors or stakeholders are not aware of the presence of the organization within the area, sector or country (Ulleberg, 2009).
2.4 Sustainability of NGO Funds

2.4.1 Membership Services Development

The NGOs work to establish, expand and/or strengthen their membership. According to Rob Gary (2006), NGOs use their assets to develop comprehensive mission driven member service packages to attract and sustain members and receive funding from membership fees. While membership dues will likely be just one part of organization fundraising activities, they can represent a regular and secure source of income. Just as donors may feel more motivated to continue giving when they are aware of the impact of their gift, members of an organization will be more likely to contribute dues if they are aware of the benefits that membership provides them.

2.4.2 Government Funding

This is another source of funds for International Development NGOs as well as private funds through investments and cooperate grants. Government funding can affect an organizations independence and the flexibility of operation if it must answer to the government, potential limiting its commitment to poverty reduction as well its accountability to the public (Blog & Policy, 2014). An obviously consideration when an NGO receives corporate or government funding is how this affects their ability to be critical of, either government policy corporate interest or practices. For this reason, organizations that wish to be wholly independent will refuse such funding. However, even an NGO which a grant from a philanthropic organization is not immune to the interest of its funders. In this case, limitations can exist in terms of how NGO project funding needs relate to the funders expressed priorities. Ultimately, NGOs must be accountable to their funders (Mercer, 2002).

2.4.3 Social Enterprise/Fee for Service

Social enterprise (SE) is one of the tools adopted by NGOs to mobilize funds. (Gray, 2005). Social enterprise is any socially responsible income-generating activity whose revenue is used to support the organization’s mission (Blog & Policy, 2014). It is an emerging financial diversification methodology where NGOs use market-based approaches to earn commercial income. Social enterprise fee for service technique develop NGOs capacity to incorporate for- profit business planning including planning in marketing, finance, production, human resource and operations to develop full-fledged commercial enterprises
such as microcredit company or simple profit-making activities such as a fee-based training. Profits accrued from these activities build up an NGO’s discretionary financial assets that can be used to fund NGOs institutional costs, future investments, new products and services. In 2004, United States’ NGOs were able to increase their funding to 80 percent through social enterprise (Gray, 2005).

2.4.4 Public/Private Partnership (PPP) Development

According to Gray (2005), this method of funding focuses on building the capacity of NGOs to enter into joint contractual fee-based partnership with public or private sector (with business or governments) to carry out mutually beneficial service to the community. Contracting business partnerships with government and corporate entities are a natural choice for NGOs as they entail leveraging tangible and intangible assets that can be useful to those sectors. With the rise of the Corporate Social Responsibility (CSR) and Social Partnership Programmes, PPP development is a huge, virtually untapped market of future NGO financing. As a result of this method, there is intense competition among local NGOs to acquire a partner, because having a partner is crucial to accessing funding (Stoianova, 2013).

2.4.5 Traditional Fundraising

This fundraising method is from international donors and/or foundations. Private foundations, multi-lateral institutions and government agencies are some of the main funding sources of NGOs (Moy & Morant, 2011). Most of these organizations require a formal grant proposal in order to consider a request from potential applicant. The first step before an organization contacts these institutions is to learn about their specific criteria and grant proposal procedures. Understanding their unique funding processes will help the organization target its fundraising efforts. The underlining factor of this method is that local funders are generally more open to supporting emerging or grassroots group, while larger international funders tend to focus on well-established mid-sized or larger organizations (Mueller-Hirth, 2012). Examples of local funders include religious organizations, foreign embassies or consulates, or local branches of government. Larger funders include donors is very challenging, especially for small organizations, but the task is not impossible.

The traditional fundraising Programmes focus on individual donations, bequests, direct marketing campaigns, telemarketing, internet giving and one time-recurring fundraising
events. Traditional fundraising Programmes are fortunately starting to gain support even though they are many times overlooked in developed in developing countries due to the supposed lack of historical individual philanthropy (Gray, 2005). In light of decrease in international donor support for NGOs there is the need for local NGOs to find alternative methods of fund raising. Some of the traditional methods as described above are not sustainable. Local NGOs must look for the methods that will integrate market oriented approaches and non-profit financial diversification strategies into a single comprehensive NGO financial sustainability methodology (Gray, 2005). Emanating from the above, if local NGOs can smartly develop diversified profit-making strategies that truly lead to both long term future financial growth and positive societal impact, then local NGOs will not only be able to garner greater support from their constituencies and stakeholders; but they will be able to do so in a suitable way that will break their constant dependence on international donors who often have their own priorities when giving money (Moy & Morant, 2011).

2.4.6 Maximize Utilization of Assets and Facilities

With the example of Alan Fowler, an NGO in Romania that provide mobile health services but also rent its mobile vehicles to other interested parties when the vehicles are not in use, (Sera, 2010), observe that as long as the business is ethical, there is no ground deterring the NGOs from being engaged in business ventures that are totally unrelated to its main initiatives. Thus, several NGOs could rent out idle office space, training and conference facilities, audio-visual and other equipment to outsiders. Sheate et al (2010) illustrate that the impetus for such a business comes from an outsider supporter or promoter of the NGO. Some of the examples given by Sheate (2010) for business models include; Foremost, a donation of computer units that makes the NGO to be a landlord, secondly, a donation of computer units that makes the NGOs to be an information technology, internet or e-mail service provider and lastly, the NGOs could also take advantage of their convenient locations to open restaurants and mini-markets serving neighborhood residents.

2.4.7 Resource Mobilization

Resource mobilization efforts of organizations are focused on fund raising from international institutional donors. If organizations desire to diversify their sources of resources, they may have to revise their current approaches, which are only focused on attracting external grants and accommodate options of sourcing resources from businesses
and individuals. Organizations in their bid to diversify funding resources will need a paradigm shift to tap into corporate philanthropy and individual donors. According to Irin, (2009) Fifty one percent (51%) of humanitarian funding for 114 NGOs came from private sources and it also cites that Medicines San Frontier (MSF) received 86% of its funds from private sources. Private sources allow organizations to respond quickly and they have fewer restrictions. According to Alan (1995), organizations should also consider recruiting individual supporters as it is worthwhile as they come with few strings attached. While grants from a foundation maybe much more than from individuals, but they may come with many restrictions. Corporate social responsibility is an emerging field in many African countries and gradually catching up with.

The role of non-governmental organizations as actors in development, the issue of local NGOs’ sustainability remains a major concern in many developing countries such as Ghana. A study by Okorley and Nkumah (2017), the key factors that can influence local NGOs based on a Ghanaian case study. The research used a combination of quantitative and qualitative research approaches. The study identified that the availability of funds, quality material resources, supportive leadership, development of needs-based and demand-driven programmes, and effective management can have a significant influence on the sustainability of local NGOs. Significantly, leadership emerged as the most important factor to organizational sustainability of local NGOs. Equally, the availability and quality of material resources for work were least critical to local NGO sustainability, although they were all very important. Local NGOs can adopt several measures to ensure their sustainability. These include the writing of good needs-based and demand-driven project proposals, ensuring transparency and accountability, leadership training and lobbying for resources including funds, especially, from local sources.

The relationship between donor funding and financial sustainability of non-governmental organizations in Uasin Gishu County, Kenya. The findings of the study showed that there was a positive correlation between donor funding and financial sustainability of the NGO’s in Uasin Gishu County (Mbuya & Osodo, 2018). Improved financial sustainability could be achieved as a result of diversifying sources of funds, retaining qualified staff and improving governance practices and organizational capacity. Therefore, it was recommended that NGOs should limit overdependence on donor funds and indeed focus
on establishing income generating activities and venture into multiple sources of funds for their projects; this would improve their financial sustainability (Mbuya & Osodo, 2018).

2.5 Chapter Summary

This chapter reviewed literature on the challenges faced by NGOs in mobilization of funds for operation. The first section of the study reviewed literature on the source of NGO funds. The second section examined the challenges faced by NGOs in sourcing for funds and the third section determined the strategy for effective sustainability of funds generation for the operations of NGO’s. The subsequent chapter presents research methodology adopted by the researcher.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The study investigated the challenges faced by NGOs in mobilizing of funds for operation. The different methods, under takings and procedures the researcher adopted in conducting the study in an effort to address the research question identified and presented in the chapter one is presented in this chapter. It is structured as follows: research design, population and sample, data collection methods, sampling design and sample size, research procedures, data analysis methods and the chapter summary.

3.2 Research Design

The study used a descriptive survey research design with a cross-sectional approach. A descriptive research design is used when the problem is well defined, and the researcher knows something about the problem A survey involves studying a situation as it is, in an attempt to explain why the situation is the way it is (Wiersma, 2009). This design allowed for accounting and adequate descriptions of activities. The design type not only offers descriptions and explanations, but also identifies and predicts relationships in and between the variables of the study (Mugenda & Mugenda, 2003). A Cross-Sectional approach was used to collect both qualitative and quantitative data from the respondents. The approach is relatively fast and inexpensive because it provides self-reported facts about respondents, their feelings, attitudes, opinions and habits (Kombo & Tromp, 2006). Survey design enables researchers to make accurate assessment, inferences and relationships of phenomenon, events and issues (Kasomo, 2006).

3.3 Population and Sampling Design

3.3.1 Population

A population implies the overall collection of elements about which one needs to make inference (Cooper & Schindler, 2007). For this study, the target population comprised of the employees of WFP. The research population is defined as all those persons employed by WFP and also have an identified category and premises where they operate. The population of interest the employees of World food programme who are involved in the
management of donor funds. The organization has 50 employees that deals with the management of the funds.

3.3.2 Sampling Design

Sampling design is a working plan which specifies the population frame, sample size and selection, and estimation method in detail. The objective of the sampling design is to know the characteristic of the population (Foy, Rust, & Schleicher, 1996).

3.3.2.1 Sampling Frame

Sampling refers to the portion selected from population to represent the entire group or population of concern (Chen, 2011). Sampling is preferred in reducing the length of time required to conclude the research study, it cuts costs and is considered very manageable. The sample is however a reflection of the overall population. Application of sampling enables a higher precision on the census. Collecting data from selected fewer case simply that the researcher is able to collect the necessary information that is exhaustive to the study (Malhotra, 2007). The sample frame of the study included all the employees of World Food Programme who consisted of operations and general staff for the organization.

3.3.2.2 Sampling Techniques

This study adopted the use of stratified sampling techniques sampling techniques as suitable. The population was stratified into two groups comprising of Operations Managers and General Staff. Cooper and Schindler, (2007) explain the advantage of this technique as; increasing the statistical efficiency and provide the data for various sub-population’s analysis. Stratified sampling technique ensures the selection of study respondents with suitable information to deal with the study questions.

3.3.2.3 Sampling Size

According to Saunders, and Thornhill (2000), defines sample size as a section of a part that represents the larger whole. Since the population of this study is a census all employees within the organization were sampled out to give out the relevant information for the topic.

3.4 Data Collection Methods

Malena Henrik, and Lindblom, (2002) explained two main categories of data, primary data and secondary data. To attain the desired study objectives, primary data was required. The
primary data was collected using a structure questionnaire attached as appendix A. The structured questionnaire had three sections: the first section prompted the respondent’s demographics; the second section explored the challenges faced by the NGOs in mobilizing funds and the third section outlined the strategies that can effectively be put into place to overcome the challenges in mobilization of funds in the operations of the NGOs.

3.5 Research Procedures

At the inception of data collection, with the permission granted, the researcher then administered to the target employees the questionnaires with the help of research assistants using the drop and pick later technique. This method of questionnaire administration was necessary considering the nature of the study which required expert understanding on the challenges and problems faced by NGOs in mobilization of funds for operation and for the participants to be able to provide appropriate and adequate responses as anticipated from the research questions. Follow up on the filling of the questionnaires was done using e-mails and goggle forms in an effort to attain high response sequence.

3.6 Data Analysis

The data was analyzed using Statistical Package for Social Sciences (SPSS) program. To assist the analysis, the questionnaire was foremost coded according to each variable of the research study. The analysis and interpretation applied both the descriptive and inferential statistics. According to Mugenda and Mugenda (2012), descriptive analysis involves a procedure if transforming raw data into charts tables, with frequency distribution percentages, which are a crucial part of interpreting and making sense of the data. In this study, the descriptive statistics was used to describe the study variables. On the other hand, inferential statistics including correlation analysis was used to determine the relationship between the variables. The regression mode of the study was as follows;

\[ Y = a + \beta x_1 + \beta x_2 + \beta x_3 + e \]

Where

- \( Y \) = Mobilization of NGOs funds
- \( a \) = Constant (Regression coefficient)
- \( x_1 \) = Sources of funds,
- \( x_2 \) = Challenges,
- \( x_3 \) = Sustainability of funds,
- \( e \) = Standard error
\[ \beta_1, \beta_2, \text{ and } \beta_3 = \text{ one Beta} \]

3.7 Chapter Summary

The chapter has highlighted research design which was a survey research design, the population under study comprised of employees at WFP Kenya and the sample selected employees. Data collection methods involved primary data collection by use of questionnaires. Research procedures involved conducting a pilot study to confirm the reliability of the researcher instruments and to also explain the purpose of the study to the respondents. Research data was analyzed using quantitative techniques. Chapter four presents result and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter gives detailed analysis of data collection, editing, coding, classification and tabulation, and analysis of the findings. The purpose of the study to investigate the challenges faced by NGOs in mobilization of finds for operation. Statistical packages for social sciences software was used to code, classify and tabulate the findings in form of frequency distribution and percentages and present the findings in form of frequency tables, mean and standard deviation, pie charts and bar graphs. A summary of findings is given at the end of this chapter.

4.1.1 Response Rate

Fifty questionnaires were distributed out of which thirty-five were successfully filled and returned. This was equivalent to 70% response rate. The Figure 4.1 shows the response rate of the employees.

![Response Rate Chart](image)

**Figure 4.1: Response Rate**

**Source:** Researcher (2018).

4.2 General Information

The findings are presented in four sections. The first section presents a descriptive analysis of general information such as gender, age range, education level, managerial level, years of experience in the organization, and whether the employees are responsible for funding.
in the organization. The second section analyzes the key sources of NGO funds. The third section presents challenges faced by NGOs in raising funds prevent them from fulfilling their goals and objectives and the fourth section is concerned with the sustainable is the funding of NGOs.

4.2.1 Gender of Respondents

The distribution of respondents by gender as shown in Figure 4.2. The findings indicate that male employees accounted for 71% of the respondents whereas 29% of the respondents were female. Therefore, majority of the respondents were male. Therefore, the organization should consider to employee more women in the organization to have a balance of gender.

![Gender Distribution Chart](image)

**Figure 4.2: Gender of Employees**  
**Source:** Researcher (2018).

4.2.2 Age Range

The study sought to establish respondents’ distribution by age. Figure 4.3 shows that 9% of the respondents were in the age range of 25 to 34 years whereas, 35 to 50 was 88% and lastly 3% of the respondents were aged 50 years and above. Therefore, majority were in the age range of between 35 to 50 years.
4.2.3 Education Level

The study sought to establish the highest education level. Figure 4.4 shows that 43% of the respondents had diploma certificate, bachelor’s degree was 15%, and post-graduate accounted for 42%. Therefore, employees were able to give reliable information concerning the understanding of the study.

4.2.4 Managerial Level

The study sought to understand the managerial level of the employees in the organization. From the findings majority of the employees had non-managerial level at 71% while only
29% had managerial positions in the organizations. The findings are represented in the Figure 4.5 below on the managerial level of the employees.

![Figure 4.5: Managerial Level](source: Researcher (2018)).

### 4.2.5 Work Experience

The study sought to understand the work experience of the employees in the organization. The findings revealed that majority of the employees have worked in the organization between 11 to 15 years in which it was represented by 43%, between 5 to 10 year it was represented by 29% and above 15 years was 29 years. The Figure 4.6 below shows the work experience of the employees in the organization.

![Figure 4.6: Work Experience](source: Researcher (2018)).
4.2.6 Responsibility for Funding

The study sought to understand the extent for responsibility for funding in the organization. The results indicate that 28% showed they had no responsibility, 43% showed had partial responsibility for funding and lastly 29% indicated they have full responsibility for funding in the organizations. The Figure 4.7 below shows the summary of the responsibility for funding in the organization.

![Figure 4.7: Responsibility for Funding](image)


4.3 Sources of NGO Funds

The study sought to understand the key sources of non-governmental organization for the world food program. From the findings of the study government contributions had the highest mean of 4.429 and standard deviation of 0.739 which meant that most of the funds are contributed by the government while exemptions from tax had the lowest mean of 3.000 and standard deviation 1.627 this indicates that it does not contribute much of the funds towards the NGOs. Private sector towards corporate social responsibility where the mean was at 3.143 and standard deviation was 1.264 indicating that it receives some funds from the private sector. The variable on the member fees had a mean of 3.857 and standard deviation of 1.141 was reported.

The organization also receives income generating activities where a mean of 4.000 and standard deviation of 1.085, on the receiving the grants where a mean of 3.714 and standard deviation of 1.506 was reported. Most of the employees who were asked on the other source of funding they indicated that they receive from individuals willing to help where a
mean of 3.857 and standard deviation 0.648 was realized and the also the business income
a mean of 3.286 and standard deviation of 1.296 was reported.

The organization also contacts fundraising campaigns in which a mean of 3.429 and
standard deviation of 1.614 in which it meant that employees agreed that they also contact
the fundraising. The organization receives donations from other funding agencies where a
mean of 3.286 and standard deviation 1.775 and a gift from the potential donors in which
a mean of 3.286 and standard deviation 1.601 was reported.

The employees agreed that they also receive from private charities in which a mean of 3.857
and standard deviation 1.264 and the foundations in which a mean of 3.857 and standard
deviation of 1.004, and lastly, they agreed that they also receive from international donors
where a mean of 3.286 and standard deviation of 1.775 was reported. The Table 4.1
indicates the key sources of NGOs funds in Kenya.

**Table 4.1: Key Sources of NGO Funds**

<table>
<thead>
<tr>
<th>Source</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private sector CSR.</td>
<td>35</td>
<td>3.143</td>
<td>1.264</td>
</tr>
<tr>
<td>Member fees.</td>
<td>35</td>
<td>3.857</td>
<td>1.141</td>
</tr>
<tr>
<td>Government contributions.</td>
<td>35</td>
<td>4.429</td>
<td>0.739</td>
</tr>
<tr>
<td>Income generating activities.</td>
<td>35</td>
<td>4.000</td>
<td>1.085</td>
</tr>
<tr>
<td>Grants.</td>
<td>35</td>
<td>3.714</td>
<td>1.506</td>
</tr>
<tr>
<td>Individuals willing to help.</td>
<td>35</td>
<td>3.857</td>
<td>0.648</td>
</tr>
<tr>
<td>Business income.</td>
<td>35</td>
<td>3.286</td>
<td>1.296</td>
</tr>
<tr>
<td>Fundraising campaigns.</td>
<td>35</td>
<td>3.429</td>
<td>1.614</td>
</tr>
<tr>
<td>Exemptions from Taxes.</td>
<td>35</td>
<td>3.000</td>
<td>1.627</td>
</tr>
<tr>
<td>Donations.</td>
<td>35</td>
<td>3.286</td>
<td>1.775</td>
</tr>
<tr>
<td>Gifts.</td>
<td>35</td>
<td>3.286</td>
<td>1.601</td>
</tr>
<tr>
<td>Private charities.</td>
<td>35</td>
<td>3.857</td>
<td>1.264</td>
</tr>
<tr>
<td>Foundations.</td>
<td>35</td>
<td>3.857</td>
<td>1.004</td>
</tr>
<tr>
<td>International donors.</td>
<td>35</td>
<td>3.286</td>
<td>1.775</td>
</tr>
</tbody>
</table>

(Source: Researcher, 2018)
### 4.3.1 Normality Test

The results in the Table 4.2 and Table 4.3 shows results for Kolmogorov-Smirnova and Shapiro Wilk tests which were done to check for normality of mobilization of funds for NGOs. A 99% confidence interval was used when carrying out the test. In this study, descriptive statistics of skewness and normality test results using both K-S and Shapiro-Wilk tests failed the test. The skewness for the data variables was -0.0529. The p values obtained from the K-S test results were found to be >0.01 for the tested variable. The p values obtained from the Shapiro Wilk test results was found to be <0.01 for mobilization of funds.

**Table 4.2: Skewness Statistics for Mobilizations of funds**

<table>
<thead>
<tr>
<th>Skewness</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobilization of funds</td>
<td>-0.529 1.3072</td>
</tr>
</tbody>
</table>

*Source: Researcher (2018).*

**Table 4.3: Tests of Normality**

<table>
<thead>
<tr>
<th>Kolmogorov- Smirnova</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statistic do Sig.</td>
<td>Statistic do Sig.</td>
</tr>
<tr>
<td>Mobilization of funds</td>
<td>.259 30 .000 \ .871 30 .000</td>
</tr>
</tbody>
</table>

*This is a lower bound of the true significance.

a. Lilliefors Significance Correction

**Source: Researcher (2018).**

### 4.3.2 Non-Paramedic Measures of Normality

Since the data was not normally distributed, visual means and non-parametric tests of normality were conducted. Normality test can be conducted by visual means or through normality tests. Statistical Package for Social Science automatically produce the percentile (PP) and quantile (QQ) plots. A normal distribution histogram and the Pearson correlation...
non-parametric measure were used to test for normality as indicated in Figure 4.8 and Tables 4.3.

![Figure 4.8: Histogram for Normality Test](image)

**Source:** Researcher (2018).

### 4.3.4 Correlation Between Mobilization and Sources of Funds

The relationship revealed that there was a strong relation between key sources of funds for the NGOs and mobilization of funds for the NGOs with Pearson correlation of \( r = 0.701 \) and the Sig (2-tailed) is 0.000 which is less than 0.01 level of significance. This meant that an increase in the mobilization for funds leads to increase in the sources of funds for the sector as indicated in the Table 4.4.

**Table 4.4: Correlation between Mobilization and Sources of Funds**

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Mobilization of funds</th>
<th>Sources of funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobilization of funds</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Sources of funds</td>
<td>Pearson Correlation</td>
<td>.701**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>35</td>
<td>35</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
4.3.5 Regression Analysis

Regression analysis is a statistical process for estimating the relationships among variables. The coefficient of determination (R Square) was used to test the goodness-of-fit of the model. The results of the adjusted R-Squared indicated that 47.6% of the variations in mobilization of funds are accounted for by the variations in sources of funds. This implies that the regression model is good as much of the variation is accounted for by the dependent variable identified in the model. This is indicated in the Table 4.5.

**Table 4.5: Model Summary for Sources of Funds**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.701a</td>
<td>.492</td>
<td>.476</td>
<td>.02727</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Sources of funds

The significance value is 0.000 which is less than 0.01 for the independent variables thus the model is statistically significance in predicting how sources of funds determine mobilization of funds in the NGOs. The Table 4.6 shows the F-values of (31.920) indicating a high significance and the p-value of (0.000) which is less than 1% level of significance.

**Table 4.6: Analysis of Variance for Sources of Funds**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>.024</td>
<td>1</td>
<td>.024</td>
<td>31.920</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>.025</td>
<td>33</td>
<td>.001</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>.048</td>
<td>34</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Mobilization of funds
b. Predictors: (Constant), Sources of funds

The findings of the analysis as indicated that sources of funds had a coefficient value of 0.319 and a significant value of 0.000 which is less than 0.01. The results show that sources of funds have a significant effect on mobilizations of funds. The t-value (26.585, p< 0.01).
Therefore, mobilization of funds is statistically significant in determining sources of funds in the NGOs sector as shown by low t values and p-values that is less than 0.01. The regression model equation for the results below is as follows; Mobilization of Funds = 1.357 + 0.319 Sources of Funds.

**Table 4.7: Coefficients for Sources of Funds**

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficientsa Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant) 1.357 .051</td>
<td></td>
<td>26.585</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Sources of funds .319 .002</td>
<td>.701</td>
<td>5.650</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Mobilization of funds

**Source:** Researcher (2018).

**4.4 Challenges faced by NGOs in Raising Funds**

The study sought to understand the challenges facing NGOs in raising funds in the organization. One of the most seen challenges was duplication of activities of some similar NGOs in which had highest a mean of 4.429 and standard deviation of 1.420 while the lowest was inadequate networking skills by the NGOs in which a mean of 2.857 and standard deviation of 1.375 this indicates that it is not the biggest challenges towards NGOs funding. The changing donor priorities in which a mean of 3.857 and standard deviation of 1.574 was recorded while on the complex funding criteria applied to organizations a mean of 3.571 and standard deviation of 1.520 was reported. In terms of coordination’s of donor ties a mean of 4.000 and standard deviation of 1.435 which was high and the bureaucratic donor policies in which a mean of 3.857 and standard deviation of 1.375 was reported indicating a strong agreement.

The employees agreed that there is many rules and regulations in granting of resources where a mean of 3.286 and standard deviation of 1.506 was realized. On the donor prejudice or bias towards certain NGOs a mean of 3.143 and standard deviation of 1.264 was recorded. There is increased competition among NGOs for funds where a mean of 3.714 and standard deviation of 1.296 was reported. There are also insufficient qualified staff members where a mean of 3.167 and standard deviation of 1.895 was realized.
Most of the respondents agreed that there is lack of accountability by NGOs where a mean of 3.714 and standard deviation of 1.506 and inadequate strategic and operational plans by NGOs where a mean of 3.429 and standard deviation of 1.614. Lack of awareness on available opportunities by NGOs in which a mean of 3.143 and standard deviation of 1.375 was record and lack of communication on NGOs achievements where a mean of 3.286 and standard deviation of 1.775 was reported. The Table 4.8 indicate the challenges faced by the NGOs in the raising of funds

Table 4.8: Challenges Faced by NGOs in Raising Funds

<table>
<thead>
<tr>
<th>Challenge</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changing donor priorities.</td>
<td>35</td>
<td>3.857</td>
<td>1.574</td>
</tr>
<tr>
<td>Complex funding criteria applied to organizations.</td>
<td>35</td>
<td>3.571</td>
<td>1.520</td>
</tr>
<tr>
<td>Donor Conditional ties.</td>
<td>35</td>
<td>4.000</td>
<td>1.435</td>
</tr>
<tr>
<td>Bureaucratic donor policies.</td>
<td>35</td>
<td>3.857</td>
<td>1.375</td>
</tr>
<tr>
<td>Many rules and regulations in granting of resources.</td>
<td>35</td>
<td>3.286</td>
<td>1.506</td>
</tr>
<tr>
<td>Donor prejudice/bias towards certain NGOs.</td>
<td>35</td>
<td>3.143</td>
<td>1.264</td>
</tr>
<tr>
<td>Increased competition among NGOs for funds.</td>
<td>35</td>
<td>3.714</td>
<td>1.296</td>
</tr>
<tr>
<td>Duplication is seen in the activities of some similar NGOs.</td>
<td>35</td>
<td>4.429</td>
<td>1.420</td>
</tr>
<tr>
<td>Insufficient qualified staff members.</td>
<td>30</td>
<td>3.167</td>
<td>1.895</td>
</tr>
<tr>
<td>Lack of accountability by NGOs.</td>
<td>35</td>
<td>3.714</td>
<td>1.506</td>
</tr>
<tr>
<td>Inadequate strategic and operational plans by NGOs.</td>
<td>35</td>
<td>3.429</td>
<td>1.614</td>
</tr>
<tr>
<td>Inadequate networking skills by the NGOs.</td>
<td>35</td>
<td>2.857</td>
<td>1.375</td>
</tr>
<tr>
<td>Lack of awareness on available opportunities by NGOs.</td>
<td>35</td>
<td>3.143</td>
<td>1.375</td>
</tr>
<tr>
<td>Lack of communication on NGOs achievements.</td>
<td>35</td>
<td>3.286</td>
<td>1.775</td>
</tr>
</tbody>
</table>

(Source: Researcher, 2018)

4.4.1 Correlation between Challenges and Mobilization for Funds

The relationship revealed that there was a strong positive relationship between challenges and mobilization for funds for the NGOs with positive correlation of ($r = 0.785$) and the Sig (2-tailed) was 0.000 which is less than 0.01 level of significance. This implied that challenges are associated with increased mobilization of funds for the NGOs.
Table 4.9: Correlation between Challenges and Mobilization for Funds

<table>
<thead>
<tr>
<th></th>
<th>Mobilization of funds</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.785**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>35</td>
<td>35</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).


The results of the adjusted R-Squared indicated that 60.5% of the variations in mobilization of funds are accounted for by the variations in challenges. This implies that the regression model is good as much of the variation is accounted for by the dependent variable identified in the model. This is indicated in the Table 4.10.

Table 4.10: Model Summary for Challenges

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.785a</td>
<td>.616</td>
<td>.605</td>
<td>.02369</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Challenges


The significance value is 0.000 which is less than 0.01 for the independent variables thus the model is statistically significance in predicting how challenges that exists during the process of mobilization of funds in the non-governmental organizations. The Table 4.11 below shows the F-values of (53.020) indicating a high significance and the p-value of (0.000) which is less than 1% level of significance.

Table 4.11: Analysis of Variance (ANOVA)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>.030</td>
<td>1</td>
<td>.030</td>
<td>53.020</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>.019</td>
<td>33</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>.048</td>
<td>34</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The regression coefficients model in the Table 4.12 shows the unstandardized and standardized coefficients of the variables. From the findings of the analysis as indicated, challenges had a coefficient value of 0.410 and a significant value of 0.000 which is less than 0.01. The results show that challenges has a significant effect on mobilizations of funds. The t-value (29.796, p< 0.01). The regression model equation for the results below is as follows; Mobilization of Funds = 1.322 + 0.410 Challenges.

Table 4.12: Coefficient for Challenges of Funds

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.322</td>
<td>.044</td>
</tr>
<tr>
<td>Challenges</td>
<td>.410</td>
<td>.001</td>
</tr>
</tbody>
</table>

4.5 Sustainability of the NGO funds

The researcher sought to understand the initiatives for sustainability of the NGOs funds in Kenya. Most of the respondents indicated that NGOs should partner with the private sector in corporate social responsibility initiatives in which a mean of 4.143 and standard deviation of 1.004 was realized and they should also enter into joint contractual fee-based partnerships with public and the private sector where a mean of 3.571 and standard deviation of 1.420 and they were the highest scored mean. The question on whether NGOs should use their assets to develop comprehensive mission driven member service packages to attract funding from membership fees a mean of 3.429 and standard deviation of 1.195 was reported and NGOs funding needs Should relate to the funders expressed priorities where a mean of 3.714 and standard deviation of 1.178.

The NGOs should enter into joint contractual fee-based partnerships with the public sector in which a mean of 4.143 and standard deviation of 1.004 and they should diversify their profit-making strategies that generate long term financial growth in which 35 a mean of 3.857 and standard deviation of 1.004 was reported. NGOs should venture their time and
resources away from their core vision and vision in which most employees agreed to some extent and a mean of 2.286 and standard deviation of 1.601, the management of the NGOs should balance between resource optimization and generation without diluting the quantity and quality of service they offer to their clientele where a mean of 4.000 and standard deviation of 1.435 which was high meaning they agreed to a greater extent and the they should sub-contract to the private sector to cut back on costs in which a mean of 3.571 and standard deviation of 1.520. They should initiate public relations activities for visibility in the public domain where a mean of 3.714 and standard deviation of 1.296 was reported and they should promote items to earn funds while emphasizing on their vision and mission where a mean of 3.000 and standard deviation of 1.328 was reported. The Table 4.13 below indicates the initiatives for Sustainability of the NGO funds.

Table 4.13: Initiatives for Sustainability of the NGO funds

<table>
<thead>
<tr>
<th>Initiative</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGOs should use their assets to develop comprehensive mission driven member service packages to attract funding from membership fees.</td>
<td>35</td>
<td>3.429</td>
<td>1.195</td>
</tr>
<tr>
<td>NGOs funding needs: Should relate to the funders expressed priorities.</td>
<td>35</td>
<td>3.714</td>
<td>1.178</td>
</tr>
<tr>
<td>NGOs should partner with the private sector in corporate social responsibility initiatives.</td>
<td>35</td>
<td>4.143</td>
<td>1.004</td>
</tr>
<tr>
<td>NGOs should enter into joint contractual fee-based partnerships with public and the private sector.</td>
<td>35</td>
<td>3.571</td>
<td>1.420</td>
</tr>
<tr>
<td>NGOs should enter into joint contractual fee-based partnerships with the public sector.</td>
<td>35</td>
<td>4.143</td>
<td>1.004</td>
</tr>
<tr>
<td>NGOs should diversify their profit-making strategies that generate long term financial growth.</td>
<td>35</td>
<td>3.857</td>
<td>1.004</td>
</tr>
<tr>
<td>NGOs should venture their time and resources away from their core vision and vision.</td>
<td>35</td>
<td>2.286</td>
<td>1.601</td>
</tr>
<tr>
<td>NGOs management should balance between resource optimization and generation without diluting the quantity and quality of service they offer to their clientele.</td>
<td>35</td>
<td>4.000</td>
<td>1.435</td>
</tr>
<tr>
<td>NGOs should sub-contract to the private sector to cut back on costs.</td>
<td>35</td>
<td>3.571</td>
<td>1.520</td>
</tr>
<tr>
<td>Initiate public Relations (PR) activities. For visibility.</td>
<td>35</td>
<td>3.714</td>
<td>1.296</td>
</tr>
<tr>
<td>NGOs should promote items to earn funds while emphasizing on their vision and mission.</td>
<td>35</td>
<td>3.000</td>
<td>1.328</td>
</tr>
</tbody>
</table>

(Source: Researcher, 2018)
4.5.1 Correlation between Sustainability of Funds and Mobilization of Funds

There was a strong positive relationship between sustainability of funds and mobilization of funds for the NGOs with correlation of \((r= 0.606)\) and the Sig (2-tailed) was 0.000 which is less than 0.01 level of significance. This implies that sustainability of funds is directly associated with increased mobilization of funds. The findings on the correlation is indicated in the Table 4.14.

**Table 4.14: Correlation between sustainability of funds and mobilization of funds**

<table>
<thead>
<tr>
<th></th>
<th>Mobilization of funds</th>
<th>Sustainability of funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobilization of funds</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Sustainability of funds</td>
<td>Pearson Correlation</td>
<td>.606**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>35</td>
<td>35</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).


The results of the adjusted R-Squared indicated that 34.8% of the variations in mobilization of funds are accounted for by the variations in sustainability of funds. This implies that the regression model is good as much of the variation is accounted for by the dependent variable identified in the model. This is indicated in the Table 4.15.

**Table 4.15: Model Summary for Sustainability of Funds**

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>R Square</td>
</tr>
<tr>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Sustainability of funds


The significance value is 0.000 which is less than 0.01 for the independent variables thus the model was statistically significance in predicting how sustainability of funds determine mobilization of funds in the NGOs. The Table 4.16 shows the F-values of (19.174)
indicating a high significance and the p-value of (0.000) which is less than 1% level of significance.

**Table 4.16: Analysis of Variance (ANOVA)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>.018</td>
<td>1</td>
<td>.018</td>
<td>19.174</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>.031</td>
<td>33</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>.048</td>
<td>34</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Mobilization of funds  
b. Predictors: (Constant), Sustainability of funds

**Source: Researcher (2018).**

The findings of coefficients analysis reveal that a positive effect was reported for sustainability of funds. From the findings of the analysis as indicated, sustainability of funds had a coefficient value of 0.559 and a significant value of 0.000 which is less than 0.01. The results show that sustainability of funds has a significant effect on mobilizations of funds. The t-value (21.931, p< 0.01). The regression model obtained is provided in the Table 4.17: Mobilization of Funds = 1.370 + 0.259 Sustainability of Funds.

**Table 4.17: Coefficients for Sustainability of Funds**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.370</td>
<td>.063</td>
<td>21.831</td>
<td>.000</td>
</tr>
<tr>
<td>Sustainability of funds</td>
<td>.259</td>
<td>.002</td>
<td>.606</td>
<td>4.379</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Mobilization of funds  
**Source: Researcher (2018).**

### 4.6 Chapter Summary

The study has presented the results and findings of the study in which it has shown that there is relationship between the independent variables and dependent variable. Sources of funds, challenges and sustainability of NGOs showed strong positive relationship with mobilization of NGOs funds. The next chapter presents the discussion, conclusions and recommendations of the study.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key data findings, discussion of the findings in relations with the literature review, conclusions drawn from the findings highlighted and recommendations thereof. The conclusion and recommendation drawn were quest for addressing the research questions of the study of determining the challenges faced by NGOs in mobilization of funds for operation in Kenya.

5.2 Summary

The purpose of the study was to investigate the challenges faced by NGOs in mobilization of finds for operation using the case of World Food Programme. The study was guided by the following research questions; what are the key sources of NGO funds? how do challenges faced by NGOs in raising funds prevent them from fulfilling their goals and objectives? and how sustainable is the funding of NGOs?

The study used a descriptive survey research design with a cross-sectional approach. A descriptive research design is used when the problem is well defined, and the researcher knows something about the problem. The sample size for this study was 50 employees of the world food programme in which primary data was collected using a structured questionnaire. The analysis and interpretation applied both the descriptive and inferential statistics. Descriptive statistics such as mean, standard deviation and frequency distributions was used to describe the study variables. Inferential statistics including correlation and regression analysis was used to determine the relationship between the variables. Primary data was analyzed using Statistical Package for Social Sciences (SPSS version 25) and presented in tables and figures to present the findings.

The findings indicated that fifty questionnaires were distributed out of which thirty-five were successfully filled and returned which was equivalent to 70% response rate. The male employees accounted for 71% of the respondents whereas 29% of the respondents were female. On the managerial level of the employees in the organization findings indicated that majority of the employees had non-managerial level while only 29% had managerial positions in the organizations. The results on the work experience indicated that between 5 to 10 years they were represented by 28%, followed by between 11 to 15 years which was
43% and lastly above 15 years was 29%. The extent for responsibility for funding in the organization. The results indicate that 28% showed they had no responsibility, 43% showed had partial responsibility for funding and 29% indicated they have full responsibility for funding in the organizations.

The relationship revealed that there was a strong relationship between key sources of funds for the NGOs and mobilization of funds for the NGOs. This meant that an increase in the mobilization for funds leads to increase in the sources of funds for the sector. The results of the adjusted R-Squared indicated that the variations in mobilization of funds was accounted for by the variations in sources of funds. Secondly there was a strong positive relationship between challenges and mobilization for funds for the NGOs. This implied that the increase in challenges facing NGOs is associated with increased mobilization of funds for the NGOs. The study results of the regression analysis indicated that the variations in mobilization of funds is accounted for by the variations in challenges that NGOs encounters. There was a strong relationship between sustainability of funds and mobilization of funds for the NGOs with correlation this implied that sustainability of funds is directly associated with increased mobilization of funds in the NGOs. The results of the regression indicated that the variations in mobilization of funds is accounted for by the variations in sustainability of funds. Resource mobilization in the NGOs should be focused on fund raising from both international institutional and local donors.

5.3 Discussion

5.3.1 Sources of NGO Funds

The study sought to understand the key sources of non-governmental organization for the world food program. The employees agreed that they receive funds from the private sector corporate social responsibility and others from the member fees. The findings are in agreement with a study by (Gyamfi, 2010) who found out that NGO funding comes from three main sources namely; public sector, internally (self-generating income and private sector. The authors found that 10 percent of the Local NGOs funding come from private charitable giving; 43 percent come from government support and public-sector payments, including grants and contracts; and 47 percent come from private fees and payments, often originating in the sale of services or products. The government contributions toward the NGOs through government support agencies and the income generating activities. The employees agreed to a very large extent in receiving grants from the donor’s agencies.
Another study that supports the findings for this on accessibility of grants from the donors in which according to Fafchamps and Trudy (2006), grants account for up to 80 percent of domestic NGOs funding. In Anglophone Cameroon (Markham & Fonjong, 2015) agreed that dependency of NGOs on external funding provides different results on the possible impacts of donations provided for the NGOs sustainability. From the positive perception, external funding through state or local NGO strengthens a mutual relationship. The funding of NGOs through local NGOs is identified as providing the opportunities for apprenticeship, social services and enterprise development.

Most of the employees who were asked on the other source of funding they indicated that they receive from individuals willing to help and also from business income. The organization also contacts fundraising the employees of WFP agreed that they contact the fundraising. The exemptions from taxes by the government and the organization also receives donations from other funding agencies. This is in line with the study of (More 2005) who argues that within bounds of defined limitations, the NGOs are able to involve themselves directly in economic initiatives are exempted from taxation to some extent. The external sources could come from national governments or corporations. Internal sources could also come from governments, corporation and business income. Another study that support the findings is that of (Markham & Fonjong, 2015) who highlighted that one-third of NGOs funding come from governments through varied avenues such as contracting, subsidies and government grants including exemptions from taxation that are also considered a government subsidy. Most embassies of economically developed countries representing their interests in developing countries also fund and support activities of domestic NGOs.

The outcome of the study indicated that the key sources of the funds for the NGOs is gift from the potential donors and they agreed that they also receive from private charities and the foundations the international donors. According to Larson and Wambua (2011), contents that NGOs receive goods and services as donations from some other institutions and individuals for Programme implementation. Donations come in form of items provided free of charge to the beneficiary NGOs, as well as implements available at a subsidized cost. The relationship revealed that there was a strong relation between key sources of funds for the NGOs and mobilization of funds for the NGOs. This meant that an increase in the mobilization for funds leads to increase in the sources of funds for the sector.
5.3.2 Challenges Faced by NGO in Raising Funds

The findings on the challenges facing NGOs in raising funds in the organization where employees agreed that the changing donor priorities affects the accessibility of funds from the donors. This is in agreement with the study of Schneiker (2016) who asserts that donor’s preferences continually change as they become increasingly selective. One notes that different donors apply different conditions on aid, for example specify projects that can be supported within their budget, working in partnership or collaboration with others, geographic cover, sector and a properly constituted organization. The complexity of funding criteria applied to organizations affects NGOs in applying for the funds as most they do not know what the donor will be looking for.

The outcomes of the study in terms of coordination’s of donor ties and the bureaucratic donor policies in was reported indicating a strong agreement which meant that hinder the NGOs on the accessibility of the funds. The employees agreed that there is many rules and regulations in granting of resources and donor prejudice or bias towards certain NGOs also has an effect to the organization. This is in line with the findings of (Caesar, 2015), who notes that the rules and regulations that govern accessing and applying for government funds and resources make it difficult for organizations to access resources. According to (Frostenson, 2013)who noted that to increase bureaucratic red tape for NGOs mobilizing resources externally. In practice, on occasions of political instability, donors do not release funds or at times, they reduce or impose severe measures.

There is increased competition among NGOs for funds and the duplication is seen in the activities of some similar NGOs. In this the findings are the same as that of Sheate and Partidário, (2010), who asserted that there a challenge of increased competition between NGOs for funds especially against bigger, established NGOs that are known by international donors due to their involvement in relief activities during disasters. In terms of the insufficient qualified staff members and also most of the employees agreed that there is lack of accountability by NGOs.

The findings indicated that there are inadequate strategic and operational plans by NGOs which hinder transparency in their financials. According to a study by Ulleberg (2009), which is in agreement with the findings noted that the local non-governmental organizations do not have in place strategic plans that guide them on what the objectives are and enable them to identify the resources needed to attain the said objectives. Most
strategic plans developed by NGOs are for donor purposes only and they fail to reflect the actual needs to be addressed by the stakeholders.

There are inadequate networking skills by the NGOs which can lead to increased funding to their activities for the fulfillment of the mission. Ulleberg (2009) argues that the smaller NGOs indicate how they lack networking skills which is often observed as competitors for resources other than working together towards common interests of the community. According to Sera (2010), most donors are seeking to fund organizations that are in networks or working together. Lack of awareness on available opportunities by NGOs. This is in line with the assertions of Viravidya and Haysen (2010), who noted that lack of communication on NGOs achievements among them is one of the challenges to the management of the organization. The limitation to communicate means the visibility of the organization is low and they are not able to effectively market their programmes. This ultimately affects their mobilization of resources. Many at times organizations lose the opportunity to get resources as donors or stakeholders are not aware of the presence of the organization within the area, sector or country. The relationship revealed that there was a strong positive relationship between challenges and mobilization for funds for the NGOs. This implied that the challenges that the NGOs is associated with increased mobilization of funds for the NGOs.

5.3.3 Sustainability of NGO Funds

The findings on the best initiatives for sustainability of the NGOs funds in Kenya indicates that NGOs should use their assets to develop comprehensive mission driven member service packages to attract funding from membership fees in which the employees agreed that they receive from the subscribed members towards their programmes. This is in agreement by Gary (2006), who noted that NGOs should use their assets to develop comprehensive mission driven member service packages to attract and sustain members and receive funding from membership fees. Membership dues are likely to be just one part of organization fundraising activities, they can represent a regular and secure source of income. They also agreed that NGOs funding needs should relate to the funders expressed priorities and should partner with the private sector in corporate social responsibility initiatives. The NGOs should enter into joint contractual fee-based partnerships with public and the private sector in which most employees agreed with the statement.
The NGOs should enter into joint contractual fee-based partnerships with the public sector in they should diversify their profit-making strategies that generate long term financial growth in for the organization which lead to the sustainability of the NGOs. According to Stoianova, (2013), NGOs should enter into joint contractual fee-based partnership with public or private sector to carry out mutually beneficial service to the community. He still argues that contracting business partnerships with government and corporate entities are a natural choice for NGOs as they entail leveraging tangible and intangible assets that can be useful to those sectors. With the rise of the Corporate Social Responsibility and Social Partnership Programmes.

The results indicate that NGOs should venture their time and resources away from their core vision and mission in which most employees agreed to some extent and the management of the NGOs should balance between resource optimization and generation without diluting the quantity and quality of service they offer to their clientele employees agreed to a greater extent and the they should sub-contract to the private sector to cut back on costs for proper management of the donors’ funds. According to Sera (2010), observed that as long as the business is ethical, there is no ground deterring the NGOs from being engaged in business ventures that are totally unrelated to its main initiatives. The NGO in Romania that provides mobile health services which rent its mobile vehicles to other interested parties when the vehicles are not in use. Thus, several NGOs sometimes rent out idle office space, training and conference facilities, audio-visual and other equipment to outsiders.

The findings of the study indicated that the NGOs should initiate public relations activities for visibility in the public domain they should promote items to earn funds while emphasizing on their vision and mission of the organization. There was a strong relationship between sustainability of funds and mobilization of funds for the NGOs with correlation this implied that sustainability of funds is directly associated with increased mobilization of funds in the NGOs. Resource mobilization in the NGOs should be focused on fund raising from both international institutional and local donors. The organization should desire to diversify their sources of resources, they may have to revise their current approaches, which are only focused on attracting external grants and accommodate options of sourcing resources from businesses and individuals.
5.4 Conclusions

5.4.1 Sources of NGO funds

The relationship revealed that there was a strong relationship between key sources of funds for the NGOs and mobilization of funds for the NGOs. The study concludes that the NGOs receive funds from the private sector and they also receive grants from the donors which facilitates the operations of the organization. The funding of NGOs through local NGOs is identified as providing the opportunities for apprenticeship, social services and enterprise development. NGOs receive goods and services as donations from institutions and individuals for program implementation. Donations come in form of items provided free of charge to the beneficiary NGOs, as well as implements available at a subsidized cost.

5.4.2 Challenges Faced by NGO in Raising Funds

In conclusion on the challenges facing NGOs in raising funds in the organization where employees agreed that the changing donor priorities affects the accessibility of funds from the donors and the complexity of funding criteria applied to organizations affects NGOs in applying for the funds as most, they do not know the what the donor will be looking for. Another challenge is the rules and regulations that govern accessing and applying for government funds and resources make it difficult for organizations to access resources for the NGOs and the increased competition between NGOs for funds especially against bigger, established NGOs that are known by international donors’ due to their involvement in relief activities during disasters.

5.4.3 Sustainability of NGO funds

In conclusions on the last objective there was a strong relationship between sustainability of funds and mobilization of funds for the NGOs with correlation this implied that sustainability of funds is directly associated with increased mobilization of funds in the NGOs. The NGOs should use their assets to develop comprehensive mission driven member service packages to attract funding from membership fees and NGOs should enter into joint contractual fee-based partnership with public or private sector to carry out mutually beneficial service to the community. The NGOs should balance between resource optimization and generation without diluting the quantity and quality of service they offer to their clientele and initiate public relations activities for visibility in the public domain.
they should promote items to earn funds while emphasizing on their vision and mission of the organization.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Sources of NGO Funds

The study recommends on the sources of NGOs funds that they should have strong relationship with the key donors both local and the international organization as this will increase their level of funding in future. The NGOs should maintain the external funding through state or local NGO which also contributes the strengthening a mutual relationship between the parties. The study also recommends that they could hire volunteers who can be able to run different charities activities which increases the visibility of the organization and which leads to increased accessibility of grants from the international donors.

5.5.1.2 Challenges Faced by NGO in Raising Funds

The study recommends on the second objective that the NGOs should apply and be flexible on the conditions on aid for the donors as this will enable them easy accessibility of funds for example they should specify projects that can be supported within their budget, working in partnership or collaboration with others, geographic cover, sector and a properly constituted organization. The international and local donors should have flexible funding criteria applied to organizations which will enable better accessibility of funds for the accomplishment of the activities and programs of the NGOs.

5.5.1.3 Sustainability of NGO Funds

The study recommends that resource mobilization in the NGOs should be focused on fund raising from both international institutional and local donors. NGOs should use their assets to develop comprehensive mission driven member service packages to attract and sustain members and receive funding from membership fees and they should initiate public relations activities for visibility in the public domain they should promote items to earn funds while emphasizing on their vision and mission of the organization.

5.5.2 Recommendations for Further Studies

The study intended to investigate the challenges faced by NGOs in mobilization of finds for operation using the case of World Food Programme. Therefore, the study recommends
that a similar study should be done to other international donors such as the United Nations Children's Fund, and the UN Refugee Agency. The study might look into other factors such as the challenges for implementations of the projects, the challenge of financing and operations of the projects for the NGOs.
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research process?


Fafchamps, D. & Trudy, D. (2006). Give and Take: What’s the matter with Foreign Aid?


Matthews, S. (2017). The role of NGOs in Africa_ are they a force for good. canada: rhodes university.


APPENDICES
APPENDIX A: INTRODUCTORY LETTER

Dear Respondent,

RE: RESEARCH STUDY BY DENNIS IKUA MWANGI-652650.UNITED STATES INTERNATIONAL UNIVERSITY.

Am pleased to inform you that I am a student at United States International University – Africa, pursuing a Master of Business Administration in Finance. As a partial fulfillment for my degree, I am conducting a research on challenges faced by NGOs in raising of funds. A case study of World Food Programmed (WFP).

Please note that any information you provide will be treated with the highest level of confidentiality and at no single instance will it be used for any other purpose other than this research project. Your assistance will be highly appreciated. I look forward to your response.

Yours sincerely,

Dennis Ikua Wangi,
P.O. Box 16293, Nauru, Kenya.

Email: ikua00009@gmail.com

Mobile +254-717136018
APPENDIX B: RESEARCH QUESTIONNAIRE.

This questionnaire is a part of research project designed to collect information on challenges faced by NGOs in raising funds. Your responses are important in enabling me to obtain a full understanding of this topical issue. However, your decision to take part is entirely voluntary. You are requested to complete this questionnaire as honestly and objectively as possible. Please answer the questions in the spaces provided by putting a circle (0) or a tick in the appropriate box. If you wish to add further comments, please do so in the blank spaces provided for those questions where elaborate answers are required. The information obtained will be treated with strict confidence. You will notice that you are not asked to include your name or address anywhere on the questionnaire. The answers from your questionnaire and others will be used for academic purposes as the main data set for my research project for my masters’ degree in Finance at the United States International University-Africa. I hope you will be willing to complete the questionnaire and thank you for your time.

SECTION A: BIO DATA

Please fill in the following particulars.

1. What is your gender:

☐ Male ☐ Female

2. What is your age range

☐ 18-24 years ☐ 35-50 years

☐ 25-34 years ☐ Above 50 years

3. Education level

☐ O-level Certificate ☐ Diploma Certificate

☐ Post-Graduate level

4. Managerial level

☐ Managerial level ☐ Non-managerial level

5. For how long have you worked for WFP?
☐ Less than 5 years    ☐ 11-15 years
☐ 5-10 years          ☐ Above 15 years

6. Indicate to what extent you are responsible for your organizations funding.

☐ Partly responsible    ☐ Fully responsible

SECTION B: CHALLENGES IN IDENTIFYING THE SOURCES OF NGO FUNDING.

Circle (0) which statement best describes your opinion on the most challenging source of NGO finding using a scale of 1 to 5. Where 1=Strongly Disagree, 2= Disagree, 3=Uncertain, 4=Agree, 5=Strongly Agree

<table>
<thead>
<tr>
<th>Identifying the source of NGO Funds</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Private sector CSR.</td>
<td>1</td>
<td>2</td>
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<td>8. Member fees.</td>
<td>1</td>
<td>2</td>
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<td>9. Government contributions.</td>
<td>1</td>
<td>2</td>
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<td>10. Income generating activities.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>11. Grants.</td>
<td>1</td>
<td>2</td>
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</tr>
<tr>
<td>12. Individuals willing to help.</td>
<td>1</td>
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</tr>
<tr>
<td>13. Business income.</td>
<td>1</td>
<td>2</td>
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<td>5</td>
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<tr>
<td>14. Fundraising campaigns.</td>
<td>1</td>
<td>2</td>
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<td>15. Exemptions from Taxes.</td>
<td>1</td>
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</tr>
<tr>
<td>16. Donations.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Challenges in Raising NGO Funds.</td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Uncertain</td>
<td>Agree</td>
<td>Strongly Agree</td>
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<tr>
<td>21. Changing donor priorities.</td>
<td>1</td>
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<tr>
<td>22. Complex funding criteria applied to organizations.</td>
<td>1</td>
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<td>5</td>
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<tr>
<td>23. Donor Conditional ties.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>24. Bureaucratic donor policies.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>25. Many rules and regulations in granting of resources.</td>
<td>1</td>
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<tr>
<td>26. Donor prejudice/bias towards certain NGOs.</td>
<td>1</td>
<td>2</td>
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<td>5</td>
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<tr>
<td>27. Increased competition among NGOs for funds.</td>
<td>1</td>
<td>2</td>
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<td>5</td>
</tr>
<tr>
<td>28. Duplication is seen in the activities of some similar NGOs.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>29. Insufficient qualified staff members.</td>
<td>1</td>
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<tr>
<td>30. Lack of accountability by NGOs.</td>
<td>1</td>
<td>2</td>
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<td>4</td>
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<tr>
<td>31. Inadequate strategic and operational plans by NGOs.</td>
<td>1</td>
<td>2</td>
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<td>32. Inadequate networking skills by the NGOs.</td>
<td>1</td>
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<tr>
<td>33. Lack of awareness on available opportunities by NGOs.</td>
<td>1</td>
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<tr>
<td>34. Lack of communication on NGOs achievements.</td>
<td>1</td>
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</tbody>
</table>
SECTION D: CHALLENGES OF SUSTAINABILITY OF NGO FUNDS.

Circle (0) which best describes your opinion on the statement above using a scale of 1 to 5

Where 1=Strongly Disagree. 2= Disagree 3=Uncertain 4=Agree 5=Strongly Agree

<table>
<thead>
<tr>
<th>Sustainability of NGO Funds</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>35. NGOs should use their assets to develop comprehensive mission driven member service packages to attract funding from membership fees.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<td>36. NGOs funding needs: Should relate to the funders expressed priorities.</td>
<td>1</td>
<td>2</td>
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<td>37. NGOs should partner with the private sector in corporate social responsibility initiatives.</td>
<td>1</td>
<td>2</td>
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<td>5</td>
</tr>
<tr>
<td>38. NGOs should enter into joint contractual fee based partnerships with public and the private sector.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>39. NGOs should enter into joint contractual fee based partnerships with the public sector.</td>
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<td>2</td>
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</tr>
<tr>
<td>40. NGOs should diversify their profit-making strategies that generate long term financial growth.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
</tr>
<tr>
<td>41. NGOs should venture their time and resources away from their core vision and vision.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>42. NGOs management should balance between resource optimization and generation without diluting the quantity and quality of service they offer to their clientele.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>43. NGOs should sub-contract to the private sector to cut back on costs.</td>
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<td>2</td>
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<tr>
<td>44. Initiate public Relations (PR) activities. For visibility.</td>
<td>1</td>
<td>2</td>
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<td>5</td>
</tr>
<tr>
<td>45. NGOs should promote items to earn funds while emphasizing on their vision and mission.</td>
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<td>2</td>
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<td>5</td>
</tr>
</tbody>
</table>