INVESTIGATING FACTORS AFFECTING THE FINANCIAL SUSTAINABILITY OF CIVIL SOCIETY ORGANISATIONS IN NAMIBIA

A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE MASTER OF BUSINESS ADMINISTRATION DEGREE IN FINANCE

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ABSTRACT

Civil society organisations (CSOs) in developing countries like Namibia experience multiple operational hindrances, especially financial sustainability challenges that lead to the closure of their operations after few years leaving a void in many communities where they operate due to their dependency on foreign funding. Thus, there is need to establish the factors that affect the financial sustainability of these CSOs. The research sought to investigate the factors that affect financial sustainability of CSOs in Namibia.

The target population of the research was 300 national CSOs in Namibia that depend on donor funding. The research sampled 80 CSOs and purposive sampling was used to select 1 employee in top management from each CSO giving a sample of 80 respondents. The research was based on primary data which was collected through a structured questionnaire. Content validity index (cvi) was used to establish whether the questionnaire measured what it was meant to measure and test-retest reliability was done where Cronbach’s alpha was used to measure reliability. Both descriptive and inferential statistics were used in analysis of the data.

The research indicated and concluded that Income Diversification, Income Generation, Financial Management, Donor Relationship Management and Management Competence affected financial sustainability of CSOs in Namibia. The research further concluded that CSOs in Namibia are financially unsustainable. The research recommends management training, adoption of proper financial management practices and establishment of income generating projects as some of the strategies for these CSOs to achieve financial sustainability. The research further recommends a research on financial factors affecting sustainability of community based and faith-based organisations in Namibia.
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# ACRONYMS AND ABBREVIATIONS

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<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
</tr>
<tr>
<td>ANOVA</td>
<td>Analysis of Variance</td>
</tr>
<tr>
<td>CBO</td>
<td>Community Based Organisation</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CSO</td>
<td>Civil Society Organisation</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FBO</td>
<td>Faith-Based Organisation</td>
</tr>
<tr>
<td>GF</td>
<td>Global Fund</td>
</tr>
<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resource</td>
</tr>
<tr>
<td>ICNL</td>
<td>International Centre for Not-for-Profit Law</td>
</tr>
<tr>
<td>NANASO</td>
<td>Namibia Network of AIDS Service Organisations</td>
</tr>
<tr>
<td>NANGOF</td>
<td>Namibia NGO Forum</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>OLS</td>
<td>Ordinary Least Squares</td>
</tr>
<tr>
<td>PDA</td>
<td>Population and Development Association</td>
</tr>
<tr>
<td>PIO</td>
<td>Public International Organisation</td>
</tr>
<tr>
<td>RDT</td>
<td>Resource Dependency Theory</td>
</tr>
<tr>
<td>SOE</td>
<td>State Owned Enterprise</td>
</tr>
<tr>
<td>STATA</td>
<td>Statistics and Data</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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DEDICATION

This study is dedicated to my mother Martha Mbokoma, Mrs Hilma Edward, Nelago Kadhikwa (Aunties), Kuku Angula Simon and Tete Martin Kadhikwa for the efforts you made to lay a foundation that has propelled me this far.

To my late father Patrick Ephraim. I am extremely sad that you are not around to share this delightful achievement with me. Continue resting in peace.

DECLARATION

I Phillemon Ephraim, declares that this research project represents my own original work except where it is otherwise stated. All the quotations and contributions from any source
whatsoever have been fully cited. I have never submitted this research project for grading for any qualification at any institution including University of Namibia.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

Civil society is an important feature of communities globally. According to Friedman & Mckaiser (2012) civil society is necessary for people to have a voice in government decision making. Governments need civil society in order to keep them in check and respond to the people’s needs because civil society demands accountability. However, in order for civil society to exist, they need governments to protect their freedom to associate. This is because civil society as a whole is made up of strong representative interest associations and social movements including the Non-Governmental Organisations (NGOs). This research focused on local Civil Society Organisations (CSOs) in Namibia that received external funding through the Namibia Network of AIDS Service Organisations (NANASO) umbrella body with the purpose of understanding the factors that affect their financial sustainability, especially since the country was declared a high middle-income country by the World Bank in 2009.

Civil Society Organisations (CSOs) play an important role in the development of society and democracy by contributing in several areas of the economy without any profit motive and filling the gaps not addressed by the state. Thus, civil society is not a passing fad; it is a necessary part of democracy because of its role in ensuring accountability, monitoring and evaluation (Kisinga, 2014). However, for civil society organisations to continue operations, financial sustainability is a critical element. Financial sustainability of Civil Society Organisations (CSOs) involves internal fundraising strategies and methods,
marketing, governance, leadership, management and building of partnerships (Ali, 2012). While the external factors that affect the financial sustainability of Civil Society Organisations (CSOs) include: the performance of the economy and the political situation, attitudes of foreign governments and local and international corporates; internal factors within the organisations themselves play a bigger role in their financial sustainability (Waiganjo, Ng’ethe and Mugambi (2012). This research pays attention to many of these factors.

1.2. ORIENTATION OF THE RESEARCH

Throughout the developing world, civil society organisations (CSOs) have been important centers of innovation and demand for services is increasing in Namibia. However, a number of recent external trends such as decline in donor funding, threaten the financial sustainability of donor-supported CSOs that provide these services (Namibia Civil Society Support Programme, 2013). In Namibia, the number of local CSOs which have access to multiple sources of funding is low. A mapping survey done by NANASO (2014), found out that from the 300 strong national CSOs membership of the network that existed prior to Namibia being declared a high middle-income country, only 160 remained operational, albeit at a minimal. The majority of CSOs do not have independent sources of financing for long-term viability. Very few have members or supporters they can rely on for internal funding (Karanja & Karuti, 2014).

A few projects aim at self-sustaining efforts and long-term sustainability. One reason for this is that external donors do not seem concerned with financing projects aimed at building the financial autonomy of local CSOs. Secondly, CSOs have low capacities to plan and implement income-generating projects (USAID, 2010). Limited access to
resources, including funds and physical assets as well as competent staff, is a major constraint by Namibian CSOs (Anson & McDonnell, 2010). The CSOs cannot rely on local philanthropy and instead are heavily dependent on foreign donors for financial and other assistance. For this reason, most local CSOs in Namibia work on a short-term project basis rather than long-term strategies. For various reasons, a few organisations are engaged in local fundraising activities or public collections. These include, the weakness of CSOs in local resource mobilisation, constituency building and diversification of their resource bases (USAID, 2010). Due to the above, this research sought to identify factors that hinder financial sustainability and recommend strategies that could be implemented by Namibian CSOs to sustain themselves financially.

1.3. STATEMENT OF THE PROBLEM

Civil society organisations (CSOs) across Namibia share a common challenge of inadequate funds to meet their program needs, or expand their program activities. This is affecting national NGOs, CBOs and FBOs in the same way. The expectation is that NGOs will cross-subsidise some of their services through resources earned from auxiliary profit-making activities. However, donors often fail to support these profit-making services (Namibia Civil Society Support Programme, 2013).

There is however inadequate research on factors that hinder financial sustainability of the local CSO in Namibia and practices that can be adopted to enhance their financial resources or their liquidity position so as to continue to meet the needs of their operations. This provides an opportunity for research on how local CSOs in Namibia can remain operational in light of the global economic crisis and declining donor funding. This
research is therefore, designed to identify factors that hinder financial sustainability and recommend practical strategies that promote financial sustainability in civil society organisations.

1.4. PURPOSE OF THE RESEARCH

The purpose of this research was to investigate factors that affect financial sustainability of local Civil Society Organisations in Namibia.

1.5. RESEARCH OBJECTIVES

The general objective of the research was to establish the factors affecting financial sustainability of local CSOs in Namibia.

Specifically, the research was guided by the following objectives:

- To determine the main source of funding for CSOs in Namibia.
- To establish factors that facilitates consistent funding for CSOs in Namibia.
- To establish factors that hinder consistent funding for CSOs in Namibia.
- To determine and evaluate existing strategies that CSOs have been using to enhance their financial sustainability after the withdrawal of donor funding in Namibia.
- To determine factors that will influence financial sustainability of CSOs in Namibia after the donor funding.

1.6. SIGNIFICANCE OF THE RESEARCH

Few local CSOs in Namibia are able to make long-term strategic plans due to inadequate and inconsistent funding. They will therefore be the primary beneficiaries of this research
as they will be adequately informed to manage the shift towards financial independence
and thus enhance financial sustainability. Similarly, the findings of this research will
inform donor agencies on how they can support self-sustaining strategies among
organisations they engage with. Further the research will contribute to an evidence base
for promising and replicable practices on strengthening self-reliance. This will be useful
to inform decision-making by government institutions and development agencies. More
so the research will enhance the limited literature on strategies for financial sustainability
in low-resource and high-need situations of Namibian communities.

1.7. SCOPE OF THE RESEARCH

The research targeted 80 local Civil Society Organisations (CSOs) in Namibia that were
funded by the Global Fund (GF) through NANASO from 2010 to 2017. The key leaders
of each of the CSOs were the respondents.

1.8 LIMITATIONS OF THE RESEARCH

The researcher analysed only the major factors that are believed to hinder the financial
sustainability of local CSOs. Other minor factors which may also have an influence on the
financial sustainability of local CSOs in Namibia but in a less significant manner were not
analysed because of the limited time frame of the research. The researcher also restricted
the research to the Database of NANASO. However, the database may not be up to date.
The researcher also explored other journals and Data bases of other line ministries, for
example, the Registration Database for Social Security Commission. On the other hand,
there could be other NGOs which might not been on the Data bases of the respective
institutions because they may not have completed the registration process. At the same
time the researcher could have gone extra mile to carry out physical spot checks and to refer to the updated historical data of respective line Ministries and published journals but was not able because of the limited resources since this would have included travelling to different regions in the country.

1.9 DEFINITION OF TERMS

Chief Executive Officer is the overall head in charge of the CSO (NANGOF TRUST, 2009).

Civil Society to refer to the wide array of non-governmental and not-for-profit organisations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations (Hutter and O’Mahony, 2004).

Donor relationship management refers to the process of cultivating relationships with new donors and stewarding current donors in order to maximize donor retention, engagement and investment (Alter, 2007).

Financial management is the management of money (funds) in such a manner as to accomplish the objectives of the organisation (Leon, 2011).

Financial sustainability is a state in which an institution has a reasonable expectation of covering its costs for the foreseeable future through a combination of donor funding and locally generated income (The Population Council, 2008).

Income diversification is the process in which multiple income sources are created by an NGO (Moore, 2010).
Management competence refers to the ability of the management of NGOs to perform their duties effectively (Okorley & Nkrumah, 2012).

1.10 SUMMARY

This chapter looked at the orientation of the research; it formulated a statement of the problem of the research, established the research objectives and looked at the significance of the research. This chapter also looked at the scope of the research, highlighted the limitation of the research and defined unfamiliar concepts used in the research. This chapter leads us to chapter 2, which will look into literature theories related to sustainability, as well as review the empirical literature on financial sustainability of CSOs.
CHAPTER TWO
LITERATURE REVIEW

2.1. INTRODUCTION

This chapter presents reviewed literature on the financial sustainability of CSOs. The literature highlights factors that hinder financial sustainability funding and brings forth strategies adopted to enhance financial sustainability of CSOs. The chapter also brings forth theories that were developed by some scholars that advanced arguments on the sustainability of CSOs in limited resource situations. Such theories include resource dependency theory, institutional theory and power relations theory while empirical review explores literature on income diversification, sound financial management, donor relationship management, management competence, financial sustainability of CSOs. Lastly the conceptual framework illustrates more on these factors.

2.2 THEORETICAL REVIEW

2.2.1. Resource Dependency Theory

The resource dependency theory (RDT) was developed by Pfeffer and Salancik in 1978. The theory advances the argument that civil society organisations are resource-insufficient; they strive to acquire and sustain resources from their external environment. Pfeffer and Salancik (1978) argue that resources are controlled by external actors who exert demands on the organisations. These foreign actors perceive certain advantages in their relationship with the organisation and exercise power through control over resources. The more the dependence on external resources, the more the demands of particular actors
controlling these resources are influential. The challenge is for the organisation to proactively and effectively manage incompatible and competing demands (Davis, 2013).

According to Moore (2010), local CSOs which rely more on external donors face instability in the flow of funding, and deal with volatile demands. Accordingly, organisational behaviour reflects the CSO's management of its dependence on an external resource and the ensuing demands of a donor controlling the resources. The magnitude of resource dependence often determines the financial behaviour of a CSO which in turn affects its financial sustainability (Scott, 2004). If a CSO fails to meet the conditions set by the external funders, the donors may withdraw the funding, making the CSO face financial sustainability issues and may not be able to fund the projects due to decreased flow of funds.

2.2.2. Institutional Theory

Institutional theory that was advanced by Scott in 2004 is premised on the assumption that society expectations are met and gained by institutionalising norms and rules (Scott, 2004) that appeal to the deeper and more resilient aspects of social structure. The underlying argument is that it considers the processes by which structures; including rules, norms, and routines, become established as authoritative guidelines for social behavior. Ali (2012) lends support to this argument by asserting that the theory makes an inquiry into how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse.

Although the ostensible subject is stability and order in social life, CSOs must attend not just to consensus and conformity but to conflict and change in social structures (Scott,
2004). This theory provides some code of conduct to earn, nurture and maintain societal expectations; and thus, create a positive organisation-society interface. The theory is relevant to the research in that for a local CSO to be funded and trusted by the donors, it has to follow a certain code of conduct that meets the expectations of the society. This ensures that the CSOs are financially sustainable and their projects funded on time.

2.2.3. Power Relations Theory

This theory was developed by DiMaggio and Powell in 1983 regarded as neo-institutional theorists. The theory provides an account for the changes that are occurring in CSOs due to their asymmetrical power relationship with their funding partners. DiMaggio and Powell (1983) developed the claim that the more dependent a CSO was on its external donor partners, the more this led to greater similarities between organisations.

Similarly, Wallace, Bornstein and Chapman (2006) argue that coercion and compliance are important concepts in understanding the relationship between local CSOs and their foreign donors because the fact that these donor agencies provide access to funding, they therefore are in a position of power. The donors set the agenda and conditions required for receiving a grant and there are consequences if the local CSOs lose this funding (Markowitz & Tice, 2002). Because donors have control over the funding and can decide to withdraw their funding as they wish, coercion may include force (Wallace et al., 2006). This means that the local CSOs in Namibia have to adhere to the conditions set by the donors in order to get the funding. Failure to meet such conditions may lead to the CSOs missing the funding and hence inability to fund their activities and projects.
2.3. EMPIRICAL REVIEW

2.3.1 Introduction

Several studies have been conducted on the sustainability issue of Civil Society Organisations elsewhere in the developing countries. Namibia’s economy and operations of CSOs are similar to that of most of the developing world countries; therefore, the arena of NGO survival is the same because they operate under the same conditions.

This section reviewed studies that were done by different researchers in other developing countries on the same topic.

2.4. Main Sources of Funding for CSOS in Namibia

A constant source of funding is crucial to the sustainability of civil society organisations. Thus, it would seem logical for governments to commit funding local CSOs by establishing a CSOs fund scheme through budgetary commitment from national budget or from profits earned from state owned organisations in which a portion of the income is dedicated to the fund even though local CSO in Namibia receive funding from other sources. These sources are not enough and they are not sustainable.

This section explores the several key funding sources for local CSOs in Namibia. As in many developing countries, foreign donors have had a significant impact on the formation of modern civil society in Namibia. On the other hand, as foreign funding to local CSOs increased the state perceived these CSOs as competitors and not partners over the available funds. There is a variety of funding sources for local CSOs. In principle, CSOs can raise funds from their own sources through revenues from economic activities, service
provision like consultancy and membership fees to a lesser extent. However, the trend is for these CSOs to solely depend on external donors (Neicovcen, Vidaicu & Cioaric, 2016).

2.4.1 Donor Funding

Majority of local CSOs in Namibia depend on donations from outside the country (NANASO, 2014). The ratio of this source of funding in the CSOs budget structures takes the lions share. In this category, the main external donors being referred to are governments, international organisations, religious institutions, individuals and legal entities that donate money to be used for a commonly beneficial purpose in developing countries. Donor funding is mostly provided for a realization of social programs and social projects established by local CSOs in accordance with the funding agreements. This is in contrast with a study by Frederickson (2010) known as the proximity and slippery slope argument. The proximity argument asserts that firms are more likely to assist those who are in need close by than the needy person far away. The decision to how much to donate and to whom, is made by an authorized manager on the basis of cognitive moral rather than a set of specific criteria. The slippery slope argument goes further to argue that if a firm begins to help people in distant places, it will be part, not all, which seems morally unacceptable. Therefore, the firm tends to help the residual people in distant places, since it would be morally inconsistent if the firm were to help some people not at all; thus, the firm has to refrain from helping people in distant places. Moreover, never ending donations are morally unacceptable, because they cause the company to fall apart. The study assumes that the donation amount is another determinant, because the limited resource restricts the donation intention (as cited in Njoroge et al., 2013, p.15).
Unfortunately, this seems to be the most common form of local CSO financing in Namibia. It is a lifeline for NGOs in developing countries and if there were no external donor funds available, many organisations would not be in existence (Funds for NGOs, 2009). A study published by Nottingham University indicated that between 2002 and 2008, the number of NGOs registered in Uganda rose from 3,500 to 7,000 because of the availability of external donor funds, a similar proliferation was seen all over East Africa. The study found that foreign funding was the biggest factor for NGO survival (Owens & Burger, 2011).

It was also confirmed by USAID (2011) that CSOs in developing countries, rely heavily on one or two foreign donors for project-oriented funds. In some cases, this is because of reluctance to venture into new types of fundraising or to approach local donors. These assertion collarets with the study results by Waiganjo et al (2013) which reveals that NGOs in Kenya seem to rely heavily on external donor funding than mobilizing resources within the country which are readily available. The study results further show that external donors are the largest and the main source of their income, and only generate a negligible percentage of revenue from their own sources. Another study by Onsongo (2012) indicates that 86 percent of Kenyan NGOs funded over half of their budget with external donor money.

2.4.2. Government Funding

Government funding is the process by which national, regional, district or local government structures offer their resources to non-profit organisations providing programmes and services to citizens. The level of support will change from year to year
depending on a combination of factors: development priorities, the political party in power, the state of the economy, the population of a specific cause, the strength of other competing demands, or the regional demographic situation (Camay & Gordon, 1997).

Majority of government funding for local CSOs is directed through local service delivery providers, often targeting vulnerable groups and the main methods of state funding of CSOs are grants, contracts, subsidies, state procurement of services, as well as other forms of state support.

Hodge and Piccolo (2005), classifies government funding as the most stable revenue source for not for profit organisations. While government grants provide stability for a not for profit agency, this advantage tends to be offset by the bureaucratic demands associated with grant administration. A study by Bessel et al., (2011), found that non-profits shared a dependence on taxpayer dollars for their financial sustainability and viewed government funding as their most dependable funding source. Agencies within both rural and urbanized areas all reported the important role government institutions can play in their long-term financial sustainability in principal, but it does not happen. In fact, securing government funding is almost next to impossible.

2.4.3. Philanthropic Activities

Philanthropy consists of charitable giving to human causes on a large scale. Philanthropy must be more than just a charitable donation. It is an effort an individual or organisation commences based on an unselfish need to improve human wellbeing. Well-off individuals occasionally start foundations to simplify their charitable determinations. Similarly, Neicovcen, Vidaicu and Cioaric (2016) argues that philanthropic activity is the provision
of voluntary, impartial and unconditional aid or the provision of free services by individuals or legal entities for a person or a group of persons without asking for a compensation, payment or execution of certain obligations and without making a profit. A philanthropist can be any individual or legal body including state institutions or those created by the state, independently or by association that can make charity donations (the working “charity donation” is used only in this normative act, being equivalent to the concept of “philanthropic donation”). The beneficiary of philanthropic acts is the person or group of persons who receives the “charity donation” by signing a “philanthropic donation contract” for achieving the philanthropic goals (Neicovcen, Vidaicu & Cioaric, 2016).

A study by Noubissié (2012) indicated that philanthropic tools such as giving circles seem to be an important source of new and expanded resources for not for profit organisations, especially smaller and grassroots organisations.

2.4.4. Commercial Activities

According to the NANGOF Trust, (2009), commercial activities in the form of user fees, government contracts, and the sale of products and services ideally should be a major source of funding for not for profits. Agencies that have the ability to generate their own revenue through the sale of services are generally less dependent on traditional sources of funding. However, while these organisations are free from specific allocation demands associated with government or foundation grants, it has been argued that commercial activity compromises the independence and strategic integrity of the agency. Thus, as each not for profit funding source bears a different level of risk and requires a different
level of administrative maintenance, there is reason to believe that CEOs will adjust strategies to best use existing assets, meet the demands of external contingencies, and offset risk.

In developed civil societies, membership fees are the most popular method of fundraising, especially for volunteer organisations. Membership fees contribute not only to funding programs but also to increasing the number of members and to strengthening the organisation. Membership fees, however, are not a panacea for fundraising, especially in Namibia where not only the capacity but also the availability of the population to pay a substantial fee is lower. Even though the amount collected through membership fees may seem insignificant, it may offer a solid basis in the future (Neicovcen, Vidaicu & Cioaric, 2016).

Figure 2.1: Sources of funding for CSOs

Source, Adapted from Desse (2012)
The largest source of income for local CSOs in Namibia is the external donors, followed by membership fees (including the amounts charged for the services provided and related commercial income from investments, dues etc.) which, on average, represent less than a quarter of CSOs’ revenues as indicated in figure 2.1 above. It is followed by philanthropy and lastly government sources (including government subsidies and public reimbursement payments). Contrary to what is commonly thought philanthropy (including private giving from individuals, foundations and businesses) only accounts for 15% of CSOs’ revenues. This is an important statement because it says a lot about CSOs’ sustainability and autonomy (Desse, 2012).

It is however interesting to note that if volunteer time value is added to philanthropy it doubles the share of the latter from 15% to 15%. (Salomon et al., 2004). This actually shows that people prefer to give their time rather than their money which is an interesting indicator of people’s involvement in civil society.

2.5 FACTORS THAT FACILITATE FINANCIAL SUSTAINABILITY OF CSOs

2.5.1. Income Diversification

Income diversification for local CSOs is defined as sourcing funds from different sources (Lewis, 2011). These sources may include the public, private sector, governments, and external donors. Leon (2011) shares an important premise that for a CSO to be financially sustainable, 60% of its income should at least come from five sources. Leon (2011) asserts that diversification of income sources protects the CSO from external shocks that emanate from the volatility of donor funding.
Similarly, Boas (2012) defines diversification of income as a number of activities that strive to reduce the dependence on a specific type of income, specific donor or grant maker, dominating customer, country that is the only or main source of funding and currency in which most or all funds are paid out. Boas (2012) emphasizes that organisations that focus their activities on donors and grant makers should try to diversify international sources of funding, national sources of funding and look for donors and grant makers that have the reputation of being reliable and who can contribute to overhead costs and start-up costs.

Correspondingly, Alter (2007) argues that, income diversification advocates for commercial ventures to diversify funding by local CSOs. The income diversification increases the number of CSOs incorporating income-generating activities into their organisations, yet problems arise from disappointing financial returns, complex legal and tax issues, organisational discord and mission dissonance.

On the other hand, Moore (2010) points out that NGOs are encounter difficulty in finding sufficient, appropriate and continuous funding for their work. They find accessing donors as challenging as dealing with their funding conditions. They perceive to be certain cartels of individuals and NGOs that control access to donor funds. As a result of possessing limited resource mobilization skills, majority local CSOs don’t have the capacity to mobilize funds locally; preferring to wait for international donors. In the end this limitation breeds a high dependency on external donors and a tendency to shift interventions to match donor priorities (Devkota, 2010).

For instance, Davis (2013) in his study on financial sustainability and funding diversification as a challenge for Indonesian CSOs found that the funding coming into the
The SCO sector in provincial capitals in Indonesia was 15% from international donor agencies and 5% from Government. This was in contrast with CSOs in provincial rural communities, which relied primarily on international donors at 45% or national NGOs at 15% for their funding. Davis (2013) concludes that majority of the local CSOs in Indonesia do not have limited sources of funding. In the same way, Nuka (2010) concurred by establishing that 75% of the local CSOs in Kosovo relied on foreign donors as their only financial source of their projects and activities.

Equally a study that was done by Saungweme (2014) revealed that most local CSOs in Zimbabwe were not leveraging their assets to generate income, and most were not engaged in own income generating activities while their funding sources were not diversified enough to be regarded sustainable. The study further revealed that majority of the CSOs was entirely funded by external donors and had no reserve funds.

2.5.2 Cost of Fundraising

Not all CSOs have professionals with capacity, skills and strategies to raise funds through fund raising or other activities. Therefore, Williams (2008), notes that externally appointed fundraisers require a commission on the funds they raise on behalf of organisations. Many donors may refuse to pay such commissions. The latter commentator contends that, in many instances, funders may argue that if the NGO does not even have the internal capacity to draft a funding proposal, they may also lack the capacity to manage the financial resources of the organisation. A review of Kenyan CSOs exposed capacity gaps at various levels from proposal preparation setting indicators, monitoring and evaluation, to reporting. These gaps are particularly glaring within the small organisations
as shown among the proposals prepared by community-based organisations. He recommended building the capacity of CSOs to implement programmes (Odindo, 2008).

2.5.3. Sound Financial Management

A sound financial management is defined as practices that involve looking at and acting on financial dealings of an organisation that are likely to have an effect on its overall direction and impinge on the achievement of its objectives (Lewis, 2011). Practically, good and strategic financial management involves two main issues: financing the long-term objectives of the CSO and reducing the impact of threats on the CSO’s financial resources (Lewis, 2011). Thus, putting in place a strategic plan and an accompanying financial plan will help in efforts to raise funds easily as donors will have some impression of the direction the CSO is taking (Ali, 2012).

Leon (2011) noted that many CSOs do donor-based accounting, which is risky as it does not give adequate controls for regular reviews and this type of accounting was susceptible to human error. Leon (2011) suggests that CSOs should pursue cost centre accounting, which allows for double entry and coding for donor reports as well as tight controls. A sound financial management system that supports financial sustainability of a CSO should be able to produce relevant types of financial statements on a regular basis. It should address issues such as the required types of financial statements; set periods for regular reviews of the statements; ease of comprehension of the statements produced; involvement of board members in fiscal oversight; and a dedicated board committee to look into financial issues (Leon, 2011).
Consequently, Waiganjo, Ng’ethe and Mugambi (2013) assert that there is a strong positive relationship between financial management and financial sustainability of CSOs. Ali (2012) concurred with Waiganjo et al, (2013) by indicating that financial management is a major factor that affects financial sustainability of CSOs.

2.5.4. Management Competence

General management competence orientation is integral to the success of an organisation (Ansoff & McDonnell, 2010). Likewise, Okorley and Nkrumah (2012), puts forward the view that good management greatly contributes to CSOs' sustainability; the bias being the fact that management must have capacity to oversee the implementation of their development programmes. At the same time a good working relationship between the management, the staff and the board is required.

In fact, Mureithi (2014) states that sustainability of CSOs is influenced by a number of management factors and capabilities. These include proper governance structures, management that understands the purpose of the organisation and take the lead in its achievement, a leadership with all the required qualification, skills, competence and experience, a management that adopts staff policies that motivate and retains employees. Similarly, leadership approaches adopted also helps the organisation to meet its objectives (Mureithi, 2014).

Moreover, in their study on the organisational factors influencing sustainability of non-governmental organisations in Ghana Okorley and Nkrumah (2012) found that management competence is a major factor to financial sustainability of CSOs. The results of a study done by Njoroge (2013) on the factors influencing sustainability of CSOs in
Kenya provide further evidence that there is a strong relationship between management competence and sustainability of CSOs.

2.5.5. Donor Relationship Management

Lewis (2011) defines donor relationship management as the building and nurturing of positive connections with the donors. He states that it requires a clear segmentation and prioritization of donors which leads to the formulation of clear goals and action plans for how the CSOs will interact with a given donor segment to achieve desired results. While all donors are important, their significance to the work of the CSOs can vary greatly, as can their motivations and needs (Boas, 2012). Effective relationship management considers all these factors and enables the CSO to determine what level and type of action and staff investment relating to each will best enable it to effectively achieve its funding model. By developing and implementing effective practices and systems that yield strong relationships with donors, not for profits can generate more sustainable and dependable revenue, strengthen grant effectiveness, and, ultimately, achieve better results (Alter, 2007). By developing and implementing effective practices and systems that yield strong relationships with donors, CSOs can generate more sustainable and dependable revenue, strengthen grant effectiveness, and, ultimately, achieve better results (Alter, 2007).

Managing donor relationship also involves accounting for the usage of donor funds based on the agreements, timelines, grant, project scope and budgets. In relationship management CSOs should be able to understand the needs of the donors, contact person and the requirements of the contact person (Lewis, 2011). This is reflected by the number of return donors, change in the amount of funding from donors and the number of
complete projects funded by the donors. If there is a falling number of return donors, fall in the amount of donor funding or stalled donor funded projects then there is poor donor relationship by the CSO. There is need to manage this relationship through regular communication, proper utilization of funds, preparation and presentation of financial reports to donors and the meeting of conditions set by the donors (Moore, 2010).

Ultimately Lewis (2011) argues that there is ample evidence to support the basic premise that there is a strong relationship between donor relationship management and financial sustainability of CSOs. In relationship management, CSOs should be able to keep track of their donors and their funding priorities while at the same time keeping donors up-to-date on the CSO’s activities (CI, 2011).

Research by Hunter (2008) showed that funding organisations repeatedly fund the same NGOs, demonstrating that it is important to cultivate the existing donor relationships. Successful organisations therefore invest in donor relationship cultivation to preserve the support they receive each year (Toal, 2013). According to Hauser and Huberman (2008), any sustainable organisation knows that the secret of fund-raising is not in getting that donor's first contribution but in getting second and third renewals from that donor.

Donor funds have tremendous restrictions that sometimes challenge the very ideals of social work. NGOs have been known to implement projects based on certain conditions imposed by the donors (Funds for NGOs, 2009). Donors frequently attach specific limitations on how money can be spent, designating particular issues or themes, or specifying support only for program expenses (Alymkulova and Seipulnik, 2005). Naidoo (2014), states that some organisations believe sustainability can be achieved by finding donors who will assist in creating an endowment, the interest from which can sustain the
organisation. Sadly, donors are not willing to contribute to an NGO endowment fund (Naidoo, 2014).

A survey by NGO Working Group described funding organisations as being risk averse, having fixed views and attitudes and not always being at the same page in thinking as NGOs. These attitudes are considered as being barriers to innovation within the sector. External donors are described as being well removed from the reality of service delivery and therefore less able to identify and promote innovative practices. Issues relating to lack of trust and respect by donors are regarded as a stumbling block for NGOs taking risks with innovation in this unsupportive environment (NGO Working Group, 2007).

2.5.6. Financial Information

A study conducted by Camay & Gordon (1997), titled Principles of NGO Management on Civil Society in South Africa which looked into priority of building capacity in local NGOs management, found out that for NGOs to sustain themselves financially, they needed financial information. They continue to argue that financial information is crucial because information supported by decision leads to action which results in achieving objectives; financial information is a basis for accountability as NGOs need to keep records of funds received (from whatever source) and how those funds were expended; financial information is a basis for investment decisions. This is because an NGO may from time to time use some of its surplus funds and invest it in a savings account or in other investments. Lastly, financial information is important because it is a basis for management decisions: Financial management requires that once the proper planning and control mechanisms have been put in place, the right amount of funds can be applied to
the specific objectives. Therefore, making decisions on the best possible application of funds and control to ensure mechanisms are in place and funds are correctly applied to an agreed purpose.

2.5.7. Financial Sustainability of CSOs

Financial sustainability is the capacity of a CSO to generate funds locally and/or ensuring that external donors continue to make funds available at required levels for programmes (Devkota, 2010). Renz and David (2010) define financial sustainability as the ability of an NGO to develop a range of resources so that it could continue with its activities after the withdrawal of donor funding. While according to Benton and Monroy (2004), sustainability is the ability of a given organisation to improve its institutional capacity to continue its activity among target populations over an extended period of time, minimize financial vulnerability, develop diversified sources of institutional and financial support, and maximize impact by providing quality services and products.

For this study, the researcher defines financial sustainability as the capability of an organisation to be capable to run and sustain its financial resources in order to achieve its organisational objectives without relying on external supports from donors or government. Authors like Bowman (2011), have defined financial sustainability as follows:

“Broadly, sustainability refers to the ability of administrators to maintain an organisation over the long term. However, the definition of financial sustainability may vary widely between for-profit organisations and not for profits (defined as organisations that use surplus revenues to achieve their goals rather than distributing them as profit or dividends), depending on the business structure,
revenue structure, and overarching goal of the organisation. For both for-profit and not for profit organisations, financial capacity consists of resources that give an organisation the ability to seize opportunities and react to unexpected threats while maintaining general operations of the organisation.” (as cited in Sontag-Padilla et al., 2012, p.2).

2.6 FACTORS THAT HINDER FINANCIAL SUSTAINABILITY OF CSOS

There are a number of mitigating factors that hamper financial sustainability by local CSOs in Namibia. Such factors may include country related factors like change in a country’s economic status, change in policies and regulations, reduced government spending; economic factors like poverty and social economic challenges, global economic recession; legal factors like legal barriers for CSOs growth and legal environment. Lastly another factor is the CSO related factors like lack of donor awareness by CSOs and donor behaviour.

2.6.1 Government-Related Factors

Foreign funding to NGOs has been one of the most controversial issues for governments in many countries. Often the governments try to introduce new policies to scan and restrict these funds to the detriment of the very survival of the NGOs (Namibia Institute for Democracy, 1996.). A report by the International Centre for Not-for-Profit Law highlights the trend towards more intrusive and punitive regulation of civil society organisations prevalent within authoritarian and semi-authoritarian regimes (International Centre for Not-for-Profit Law [ICNL]; World Movement for Democracy Secretariat, 2008).
2.6.1.1. Change in a Country’s economic status

Potential donors around the globe are influenced by a country’s economic status. Most of them are attracted to the most impoverished countries because they feel that’s where they can make a considerable contribution. Any positive change in a particular country status will influence the decision of the donor whether to continue funding the CSOs in that country or not. A classic example is Namibia. When it was declared an upper middle-income country in 2009, majority of foreign donors exited the country leaving a big funding gap for local CSOs.

According to Nashuuta (2016), ever since the World Bank elevated Namibia to the upper middle-income country status, majority of non-governmental organisations (NGOs) in the country have been struggling to remain afloat as donor funds dried up.

Nashuuta states that since the reclassification of Namibia, donors redirected their funding to countries that are classified as poorer than Namibia, leaving local NGOs with focus in health, social and development fields in financial squeeze (Nashuuta, Southern Times Newspaper, 23rd March 2016).

2.6.1.2. Reduced Government Spending

Much as majority of these factors originate from the receiving countries, a change in budget allocation in donating countries may affect the flow of funds to local CSOs. In most cases these donors are agents of governments for developed countries. Reduction in a developed country’s budget will mean the reduction of allocation to the welfare agencies such as donors. Therefore, this affects the magnitude to which those donors donate to developing countries. An example is Global Fund which reduced the amount of money it
used to give to Civil society through NANASO for Malaria, Tuberculosis and HIV & AIDS control programmes from 27 million US dollars in 2010 to 6 million US dollars in 2017.

Similarly, according to Desse (2012), governments in developed countries, focus on budget consolidation. This results in a relative withdrawal from the welfare state, especially in Western Europe, and a strengthening of markets and liberalization. This means that in developed countries (the Liberal, Welfare Partnership and Social Democratic clusters) the structure of the civil society will catch up with the Liberal model. Indeed, government support will be weaker because of budgetary restrictions. In Liberal and Social Democratic countries, this decrease in government funding will not have a strong impact because the latter is already low. That is, in these countries, CSOs will continue to develop, following their respective model.

2.6.2. Economic Related Factors

The survival of non-governmental organisations worldwide has been influenced by drastic change in global economic environment and local NGOs have found themselves vulnerable (NANGOF Trust. 2009). Foreign funding and donations are determined by certain factors that are beyond the control of the local NGOs. The twenty-first century has witnessed some unprecedented challenges like the war against terrorism and the global recession which have affected the flow of funds. International foundations have withdrawn and bilateral agencies have revived their policies of development assistance, a result of which is a huge funding gap (Funds for NGOs, 2009). Regional sources of NGO
funding from local and national agencies, private entities and public donations have not yet developed to a level sufficient enough to meet demand.

2.6.2.1. Poverty and Social Economic Challenges

In any donor funded project, there must be a motive. In most cases it is to address socio-economic challenges in communities. However, poverty, and social economic problems present major obstacles to local philanthropic development (Alymkulova and Seipulnik, 2005). Fundraising in less-resourced communities can be especially hard when many members of the community have very limited resources to spare. Despite these significant challenges, it is important to help community members in less resourced communities understand how the giving of their scarce financial resources eventually help them or the things they care about. Helping community members make this connection can promote willingness to contribute to the cause (Bray, 2010). A participant in a workshop in Ghana said: "I learnt it is possible to build a sustainable organisation even among the poorest people" (Naidoo, 2014).

2.6.2.2. Global Economic Recession

Many Countries prefer to support donor agencies when the economic situation is stable and there is surplus of financial resources. Global recession makes it difficult for most of the developing countries to have surplus and this makes each country to concentrate on their own and therefore not willing to fund any donor agent. Declining financial resources constitute a major problem for CSOs in developing countries such as Namibia due to global economic recession, and political transformation. The most visible effects of this problem include reduction of services and the demise of weak NGOs in developing
countries owing their lifeline to external donors. This could however provide an opportunity for NGOs to review their mission and goals and engender sustainability in their programmes of work (Kameri, 2000).

2.6.3. Legal Related Factors

Just like any other business, CSOs operate as legal entities to legalize their operations and this status may empower CSOs to secure resources deemed necessary to carry out their activities if legally registered or impede them if not legally registered. The foreign aid policies of developed countries are contentious. For every dollar spent for developmental support in developing countries, they ensure that at least 40 percent of it returns back through technical consultancy, international volunteering, which translates into only 60 percent of the total funds be used for the real work they were meant for (Funds for NGOs, 2009).

2.6.3.1. Laws as a Barrier for CSO Growth

Barriers to funding have become increasingly common in recent years, targeting foreign funding in particular because terrorism threats. Most directly, the law may prohibit the receipt of certain categories of funding altogether. More regularly, the law allows the acceptance of foreign funding, but requires advance governmental approval (International Centre for Not-for-Profit Law; World Movement for Democracy Secretariat, 2008). According to Alymkulova and Seipulnik (2005), there are some limitations in the legal environment which offers no tax exemptions for charity to encourage company donations.

At the same time there are legal provisions that hold back NGO's ability to mobilize resources to carry out their activities. These barriers include prohibition of certain donors
funding, requirements for advance government approval, and policies to channel funding especially when it is from foreign sources through the government structures (Jillo, 2009). Governments around the world have tried to justify these legal restrictions under the pretext of promoting NGOs accountability, protecting state sovereignty, or preserving national interests. These justifications are not only inflexible but they also present a variety of meanings. For instance, a notion like national interest is for the most part prone to abuse by the state.

2.6.3.2. Legal Environment

CSOs depend heavily on donor funds and it needs to be regulated properly by laws and regulations. The absence of proper laws and regulation may make it difficult to control the operations of local CSOs. For example, the legal environment in Namibia is plagued by a continuing lack of progress in formulating a national CSO policy. Although the Namibian constitution guarantees space for civil society, there is no law specifically regulating CSOs in the country. They may be legally constituted as voluntary associations, trusts, or incorporated associations not for gain (USAID, 2016).

2.6.4. CSO-Related Factors

Dependence on foreign donors by local NGOs is not sustainable largely because there is competition from different NGOs for the same donors as they place themselves strategically to catch the attention of the donors. This may result in duplication of roles and in some cases not meeting the objectives for which the funds were sought because the main motivation was just to get the funds. Equally problematic and attributable in part to the same trend is rivalry, isolation and irregular subjective documentation—all geared
toward fundraising and not maximizing on the synergies between NGOs working in the same fields (Kameri, 2000). The over-dependence of NGOs on foreign funding has been the biggest factor for un-sustainability (Funds for NGOs, 2009).

It has been observed that increasing presence of foreign-supported local organisations fail to mobilize local support for their initiatives. There are less local resource mobilization practices. Also, foreign support contradicts the self-reliance concepts. The more foreign assistance reaches the NGOs; the more they become less dependent on themselves for sustaining their work (Funds for NGOs, 2009). Bessel et al., (2011) demonstrate that over-reliance on government revenue as well can jeopardize an organisation’s service delivery strategies in a number of ways.

2.6.4.1. Lack of Donor Awareness by CSOs

A big number of the local CSOs are being run by people with lack of knowledge and experience in conducting the environmental scanning for new donors. This makes it difficult for these CSOs to find potential donors that may be in a position to fund their projects.

2.6.4.2. Donor Behaviour

Foreign donors have stringent conditions before they disburse the fund. They demand accountability which is a key pillar of effectiveness. It is full transparency regarding the purpose, content, responsibility and performance of the development agency. Similarly, project evaluation complexities such as broken natural feedback loop in foreign aid, inserting an explicit evaluation function in foreign aid programmes is necessary to eliminate performance problems. If the evaluations are well done to the extent that there
is no mechanism in place to get the evaluation results out in the public, the aid agency’s behaviour would likely not be affected. An independent foreign aid evaluation agency could be a way around these problems.

At the same time there always fund disbursement bureaucracies when it comes to foreign donors. Resources earmarked for particular use flow within legally defined institutional frameworks. Typically, funds pass through several layers of government bureaucracy down to service facilities, which are charged with the responsibility of spending the funds. Information on actual public spending at the frontline level or by program is seldom available.

Conversely, financial sustainability refers to stable excess of income over expenditure which allows the organisation to dispose of its resources easily and thereby ensure continuous activities of the organisation. The conceptual framework in figure 2.2 below illustrates more the factors that enhance financial sustainability of CSOs.
Figure 2.2 Conceptual Framework.

- **Independent Variable**

  - **Donor Relationship Management**
    - Number of return donors
    - Donor Funding
    - Number of Donor Funded Projects

  - **Income Diversification**
    - Number of sources of funds
    - Amount of own funding
    - Change in own funds

  - **Financial Management**
    - Number of successful audits
    - Financial reports to donors
    - Amount of back up funds

  - **Management Competence**
    - Academic qualifications
    - Successful projects handled
    - Years of experience

- **Dependent Variable**

  - **Financial sustainability of CSOs**
    - Adequacy of resources ratio
    - Self-sufficiency ratio
    - Reliance on revenue source ratio
Table 2.1: Operationalisation of Variables

<table>
<thead>
<tr>
<th>Type of variable</th>
<th>Variable</th>
<th>Indicators</th>
<th>Scales</th>
<th>Question No</th>
<th>Collection tool</th>
<th>Type of Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td>Donor relationship</td>
<td>Number of return donors Donor funding Number of donor funded projects</td>
<td>Ordinal</td>
<td>Questionnaire</td>
<td>Descriptive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>Diversification</td>
<td>Number of sources of funds Amount of own funding Change in own funds</td>
<td>Ordinal</td>
<td>Questionnaire</td>
<td>Descriptive</td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>Management</td>
<td>Number of successful audits Financial reports to donors Amount of back up funds</td>
<td>Ordinal</td>
<td>Questionnaire</td>
<td>Descriptive</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>Competence</td>
<td>Academic qualifications Number of successful Projects handled Years of experience</td>
<td>Ordinal</td>
<td>Questionnaire</td>
<td>Descriptive</td>
<td></td>
</tr>
<tr>
<td>Dependent</td>
<td>Financial Sustainability</td>
<td>Adequacy of resources ratio Self-Sufficiency ratio Reliance on revenue source ratio</td>
<td>Ratio / ordinal</td>
<td>Questionnaire</td>
<td>Descriptive</td>
<td></td>
</tr>
</tbody>
</table>
2.6. STRATEGIES TO ENHANCE FINANCIAL SUSTAINABILITY.

According to the findings of a study conducted in Kenya by Kangiri (2015), which investigated the strategies to enhance financial sustainability of civil society organisations (CSOs) in Nairobi, it points out that most of the CSOs depended on volunteer membership contributions and business activities. Furthermore, the study proved that the CSOs found internally generated funds more reliable than those from external funding. The study further points out that the main factors that impaired financial sustainability are demanding donor requirements that affected a majority of the CSOs, lack of fundraising skills and weak CSO governance. All these factors had a major impact contributing to the overall financial situation of CSOs. The main challenges that CSOs experienced in executing sustainability strategies were low profitability; lack of feedback on proposals submitted to donors and donor funds were restricted from supporting self-sustaining initiatives. Thereafter, fundraising strategies such as in-country donations and commercial activities were implemented to improve financial sustainability of CSOs.

CSO’s need to understand that there is a need to nurture financial sustainability of because external donors may decide to pull out their funds at any given time. Thus, the strategies that can enhance financial sustainability of CSOs need to be adopted. This considers the diversification of funding sources. Organisations need to identify and cultivate a diverse pool of support (Johnson, 2000) by devising innovative fundraising approaches where NGOs can exist without foreign donor support. However, this kind of existence not only means sacrifice, but some creativity and effort involved in the way of doing the work (Namibia Institute for Democracy, 1996). For instance, microfinance is just one of the
strategies that has not only reduced dependency on external donor funding but also converted NGOs Kenya into profit-making companies (Hoehn, 2010). This is a good practical example that local CSOs in Namibia can learn from.

2.6.1. Diversified Funding Sources

Giffen and Judge (2010), suggest that, in order to increase the strength and diversity of civil society, it is important to maintain a variety of funding mechanisms at different levels. For organisations to be sustainable, they need to identify and cultivate a diverse pool of support (Johnson, 2000). A review of characteristics of successful NGOs by the Population Council (2008) in Namibia argues that NGOs with the greatest potential for sustainability share specific characteristics like diversified funding sources; including microcredit enterprises, capital investments in real estate, and strategic pricing, use of information systems for decision making, accrual of profits to subsidize social missions and programs for the poor and strong human resource management. Managers should assess the organisation's current sources of support as well as its strengths to create a long-range fund-raising plan that will leverage the organisation's current assets (Foresters Community Finance, 2011).

Diversification of funding sources is essential to increase the stability of Non-governmental organisations income streams. As a response to the economic crisis, tapping international funding streams might not be reliable as the case has always been (Kurosaki, 2003).
2.6.2. Innovative Fundraising

NGOs can exist without foreign donor support. However, this kind of existence not only means sacrifice, but some creativity and effort involved in the way of doing the work (Namibia Institute for Democracy, 1996). Bessel et al., (2011) reveals that involvement of board members in fundraising was viewed to be a key to long-term financial sustainability. Agencies that required their board members to participate in annual fundraising drives secured over 50% of their operating budget from individuals within their service area. Subsequently, all of the agencies that did not emphasize fundraising for board members received less than 10% or no funding from this source. A study by Okorley and Nkrumah (2012) in Ghana puts emphasis on the involvement of board of directors in various methods of fundraising in a bid to improve the financial sustainability of NGOs. The methods could include training individuals on proposal writing, expanding the scope of donors and identifying more local sources of funding.

According to Bennett and Savani (2011), managers of organisations sometimes look to the outside world for inspiration. For example, fresh ideas for innovative fundraising campaigns might be obtained through attending conferences and conventions, or meetings of relevant professional bodies. Likewise, new ideas might be acquired from articles in professional magazines, including publications in foreign countries. A survey by NGO Working Group in Namibia (2007) identified a number of opportunities for the NGO sector to take responsibility for their own development. These included: providing collaborative support and mentoring between larger and established NGOs and smaller or newer organisations; sharing innovations and best practices; representation on public boards or advisory groups to influence decision-making.
2.6.3. Business Activities

NGOs in many parts of the developing world have undertaken businesses and found enormous success. Microfinance is just one of them that has not only converted NGOs into profit-making companies, but also reduced the dependence on external donor funding (Hoehn, 2010). In Thailand, an NGO supported by The Population and Development Association (PDA), established 14 profit making companies to generate funds for social development work, the most successful of which are restaurants. Based on the success of these enterprises, PDA teaches other NGOs how to build sustainable solutions that free them from dependency on insufficient and uncertain sources of funding (Population and Development Association, 2012).

2.6.4. Strategic Management

Strategic management is a process that involves anticipating future needs integrating systems to accomplish the goals of an organisation. Strategic management helps to predict an organisation's future needs through analysis of the present resources, the external environment and creating scenarios about the future situation (HR Council, 2011). The large and medium-sized organisations typically have strategic plans that direct their operations for effective attainment of their missions. They facilitate decisions and help to achieve coordination in allocation of resources. Putting strategic focus on what the organisation needs to do to become viable and sustainable ultimately means creating a solid foundation from which to focus the mission and achieving the social impacts (Foresters Community Finance, 2011).
A case study of charity organisations indicated that the managements of the organisations seem to have applied strategic management as a strategy to cope with the economic downturn (Bennett & Savani, 2011). Waiganjo et al, (2012), established that there is a strong positive relationship between financial sustainability of NGOs and strategic financial management. This agrees with Mohammed (2011), who indicated that there is a positive relationship between financing strategies and financial sustainability. In another study by Okorley and Nkrumah (2012), results showed that leadership is critical for marshalling the needed funds.

2.7. FACTORS THAT INFLUENCE THE FINANCIAL SUSTAINABILITY OF CSOs

The focus on financial sustainability of CSOs is attributed to its conformity to the perspective that only independent, financially sustainable microfinance institutions will be able to attain the wide outreach necessary to achieve the highest level of impact on their target population, based on a globally affordable model that does not depend on long-term support, either from donors or the government (Robinson, 2003). By focusing on achieving institutional, financial sustainability, regulators and practitioners of microfinance in Namibia will contribute towards domestic institution building for financial capacity widening and deepening in locally constituted organisations and funds (Graham Bannock & Partners, 1997).

2.7.1 Organisational Structure

To promote effective sustainability, a functionally-integrative organisational structure is recommended (Viebahn, 2002). Organisational structure refers to the way in which
ongoing activities are divided, organised and coordinated. It therefore deals with the way an organisation is designed to achieve its mission goals.

2.7.2. Lack of Funding

The financing process, that is, raising and maintaining adequate funds for the project facilities and activities, is clearly of critical importance to sustainability. Insufficient financing is a major factor in poor maintenance which, in turn, is often cited as a reason for project failure. Lack of financial resources is a constant constraint for most projects. Funding is a major concern for all involved in sustainability initiatives. Many projects are not adequately funded, putting at risk not only the achievement of all the intended goals but also the existence of those initiatives. The lack of external funds is also jeopardizing the future of initiatives related to sustainability.

2.7.3. Lack of Training

Sustainability initiatives are limited by the lack of specialisation by people who run the local CSOs in Namibia and many developing countries. Training of project personnel is an important variable influencing project sustainability. The provision of appropriate training for project implementers, according to AusAID (2000), is often key strategy for achieving sustainable benefits. To improve the prospects for sustainability it should start at the right time, that is, at the beginning of the project, should be conducted throughout the project cycle and allow for repetition. While the most appropriate type of training will depend partly on the nature of individual programs and projects, experience indicates that certain approaches are more likely to achieve sustainable benefits than others.
Effective training should not only educate but also motivate; trainees must be selected on merit, include both men and women, and be of direct relevance to their work. Trainees must also be given the opportunity to apply newly acquired skills on completion of training. Training, such as on-the-job training, mentoring and short-course competency-based training is more likely to support more sustainable benefits than overseas courses or long-term academic training. In cases where counterparts are transferred or leave over time, training must also be repeated and refresher courses given if the required skill base is to be sustained throughout (as cited in Wathome et al., 2013, p.17).

2.7. 4. Rigorous Donor Requirements

A study by Caccavale, Haver and Stoddard (2016), reveals that reporting requirements are far less onerous for public international organisations (PIOs) than for nongovernmental organisations (NGOs). This difference is because (1) donors do not play a role in the governance of NGOs and hence do not help shape their internal accountability mechanisms as happens with PIOs and (2) NGO funding is more frequently connected to specific projects (i.e., earmarked) and therefore is seen to require detailed, project-specific reporting to ensure accountability.

NGOs, in contrast, have significantly more reporting requirements compared with PIOs; those requirements vary from donor to donor. Most donors require quarterly financial reports, regardless of the size of the project making the recipient CSOs spend more time compiling reports than implementing their activities.
2.7.5. Advocacy

The political and advocacy environment must support the formation of coalitions and networks, and offer CSOs the means to communicate their messages through the media to the broader public, articulate their demands to government officials, and monitor government actions to ensure accountability. The advocacy dimension looks at CSOs' record in influencing public policy. The prevalence of advocacy in different sectors, at different levels of government, as well as with the private sector is analysed. The extent to which coalitions of CSOs have been formed around issues is considered, as well as whether CSOs monitor party platforms and government performance.

2.7.6. Project Identification

According to European Union (EU) (1999), during the identification phase, ideas for projects and other development actions are identified and screened for further study. This involves consultation with the intended beneficiaries of each action, an analysis of the problems they face, and the identification of options to address these problems. A decision can then be made on the relevance of each project idea, both to the intended beneficiaries and to the programming framework, and on which ideas should be further studied during the formulation phase. In the actual practice projects should be identified from the perspective of the needs or demand of the beneficiaries whether at community or national levels (cited in Wathome. 2013, p.15).
2.7.7. Stakeholder Engagement

Friedman and Miles (2006), argue that the stakeholder concept has achieved widespread popularity among academics, policy-makers, the media and corporate managers. References to stakeholders are common place and the requirement to engage stakeholders in public sector organisational strategy and project design is a key priority in current government policy.

According to United Nations Development Program (2009), inadequate stakeholder involvement is one of the most common reasons programmes and projects fail. Therefore, every effort should be made to encourage broad and active stakeholder engagement in the planning, monitoring and evaluation processes. This is particularly relevant to crisis situations where people’s sense of security and vulnerability may be heightened and where tensions and factions may exist. In these situations, the planning process should aim to ensure that as many stakeholders as possible are involved, and that opportunities are created for the various parties to hear each other’s perspectives in an open and balanced manner.

2.8. SUMMARY

This chapter reviewed related theories and empirical literatures in relation to financial sustainability of CSOs; it also looked at the main sources of funding for CSOs. The chapters also looked at factors that hinder consistent funding for CSOs in Namibia. Further, the chapter reviewed literature related to strategies to enhance financial sustainability which include diversified funding sources and innovative fundraising, business activities and strategic management issues. The next chapter discusses research methodology adapted for this research.
CHAPTER THREE

RESEARCH METHODS

3.1. INTRODUCTION

This chapter provides a comprehensive summary with an outline in the manner in which the research was carried out. It then sets out various steps and phases that were followed in completing the research. It starts off by describing the research design that was used and then it defines the target population and illustrates the sampling design, which included a sampling frame obtained from administrative records. The sampling technique and sample size is specified with justification on why they were suitable for the research. Data collection methods are defined with explanation on their suitability for the research and the techniques that were used in the collection, processing and analysing of data. The research procedure is also defined, describing the process of developing research instruments, recruiting and training personnel, data collection, and data analysis techniques with explanation on the suitability.

3.2. RESEARCH PHILOSOPHY

According to Saunders, Lewis and Thornhill (2012), Research philosophy deals with the source, nature and development of knowledge. Saunders, Lewis and Thornhill further argued that each stage of the research process is based on assumptions about the sources and the nature of knowledge. The research philosophy will reflect the author’s important assumptions and these assumptions serve as the base for the research strategy.
For this study, a pragmatism research philosophy was adopted. According to pragmatism research philosophy, research questions are the most important determinant of the research philosophy. Pragmatics can combine both, positivist and interpretivism positions within the scope of a single research according to the nature of the research questions (Saunders, Lewis & Thornhill, 2012). This philosophy was appropriate for this study because it made practice of whatever combination of methods that can be useful to provide responses to the research questions. For this study, the research made use of research structured questionnaires where responses were provided by answering questions or through interviews. A mixed approach was used to collect data for this study, with an integration of more than one approach because the questionnaire that was used to collect data consisted of non-structured and structured questions.

3.3. RESEARCH APPROACH

The deductive research approach was used for this study to explore the phenomenon and come up with strategies for the financial sustainability of CSOs in Namibia. With this approach, the researcher used an integrated approach to find out how many times or how often something happens. This approach is used when you want to understand why something happens. For example, after you have created your research project, you must decide the best method to collect data. If you choose to use surveys or polls, then you are employing the quantitative method. A survey consists of creating a number of questions for people to answer. Therefore, you may interview experts, review documents, case studies, and personal observations or conduct a focus group discussion. Furthermore, Math verses text is another distinction between the qualitative and quantitative research methods (Saunders, Lewis & Thornhill, 2012). With the approach, the research was
steeped in numbers of structured questions and at the same time there were non-structured questions for further explanations in words. The researcher therefore used a mixed approach to collect data from the primary sources.

3.4. RESEARCH DESIGN

Berg (2001) refers to a research design as a road map used for planning when undertaking a research study. He further points out that it aims at visualising and imagining how the research will be undertaken, the type of data to be collected, how it will be collected and how much it will cost the researcher. This research used a descriptive research design to investigate factors responsible for financial sustainability of local CSOs in Namibia. This method of research was used to gain an accurate profile of events, persons or situations (Saunders, Lewis, & Thornhill, 2012). With this type of method, the researcher is concerned mainly with resolving the certain structures of a specific population of subjects and as such safeguards an illustrative sample of a relevant population in order to make sure that any succeeding assessments of the abilities of that population are precise and findings are generalisable. The researcher used the quantitative research method, through the use of structured questionnaires and a qualitative approach through interviews in the format of a survey research in order to answer the research objectives that reviewed the financial sustainability of CSOs in Namibia. Due to the large number of CSOs in Namibia, the research method was suitable in identifying a small sample of the national CSOs that could uncover the factors for financial sustainability of CSOs in Namibia. The research focused on the realities concerning the challenges faced by CSOs in Namibia after the decline/withdrawal of donor funding. The method used allowed the researcher to collect data that could be helpful to investigate the strategies for financial sustainability of CSOs
in Namibia. Combined opinions from diverse participants also helped in uncovering factors that hinder consistent funding for CSOs. The Executive Directors/ Program Directors and Finance Directors of CSOs were interviewed in order to collect information on their funding mechanism. The researcher also distributed some questionnaires by email and hand delivery to some of the participants.

Cooper and Schindler (2003) summarised the essentials of research design as an activity and time-based plan; always based on the research questions; guides the selection of sources and types of information; a framework for specifying the relationship among the study variables and outlines the procedures for every research activity. Thus, a descriptive research is concerned primarily with addressing the specific features of an exact population of subjects and as such secures a representative sample of the relevant population. Hence the research focused its attention on the factors that can enhance financial sustainability of local CSOs in Namibia.

According to Lans and Voordt (2002) a descriptive research is restricted to factual registration and there is no quest for forming hypotheses or development of theory. It is concerned about describing how reality is and differs from prescriptive research that is primarily concerned with the question how the reality should be. On the other hand, a research by Kerlinger (1986) describes research design as the plan and structure of investigation so conceived so as to obtain answers to research questions or test the research hypothesis. The plan represents the overall strategy used in collecting and analysing data in order to answer the research questions. This design was therefore suitable for its objectivity in terms of providing the overall approach for collecting and analysing the data
in order to gain an acceptable understanding of the problem from the insights of the research participants.

3.5. POPULATION

According to Reinhart and Heribert (2016), there are approximately 300 CSOs in Namibia. However, the majority of them are Community Based Organisations (CBOs) and Faith Based Organisations (FBOs), with a third of these CSOs having a National representation.

Zikmund (2003) defines a population as a complete group of entities sharing some common set of characteristics. While Ngechu (2004) defined population as a set of people, services, elements, events, groups of things or households that are being investigated. For the purpose of this research, the target population is 300 National CSOs across the country as per the database obtained from the Namibia Network of AIDS Service Organisations (NANASO) being the umbrella body of CSOs in Namibia. The targeted CSOs were those that were funded by the Global Fund through NANASO and were involved in the implementation of projects in Namibia from 2010 to 2017.

3.6. SAMPLE SIZE

Creswell (2010), defines sample size as the finite part of a statistical population whose properties are studied to gain information about the whole. Therefore, in order to make inferences about a population, a representative sample is usually drawn.
The research did not cover all the Civil Society Organisations in Namibia but only 80 National CSOs were used as participants of the research. These were purposefully selected and formed part of the sample because they were in the category of National and Commercial CSOs. National and Commercial CSOs do have some sort of innovative fundraising ways and engage in business activities to enhance the financial sustainability of their Organisations. Purposive sampling was used to determine the CSOs to be part of the study.

Table 3.1 below. This sample was chosen because they are duly registered, active and highly accessible due to the fact that they had offices within towns.

Table 3.1: Sample for the study

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of CSOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardap</td>
<td>1</td>
</tr>
<tr>
<td>Kunene</td>
<td>1</td>
</tr>
<tr>
<td>Kharas</td>
<td>2</td>
</tr>
<tr>
<td>Kavango West</td>
<td>2</td>
</tr>
<tr>
<td>Oshana</td>
<td>2</td>
</tr>
<tr>
<td>Ohangwena</td>
<td>2</td>
</tr>
<tr>
<td>Oshikoto</td>
<td>3</td>
</tr>
<tr>
<td>Omaheke</td>
<td>3</td>
</tr>
<tr>
<td>Zambezi</td>
<td>4</td>
</tr>
<tr>
<td>Kavango East</td>
<td>4</td>
</tr>
<tr>
<td>Otjozondjupa</td>
<td>5</td>
</tr>
<tr>
<td>Erongo</td>
<td>6</td>
</tr>
<tr>
<td>Khomas</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>

3.7. SAMPLING PROCEDURE

In order for the researcher to address research objectives for the financial sustainability of local CSOs in Namibia, the researcher had to decide on which people to participate in the research. Thereafter, a sampling procedure was put in place that was used to determine
the number of people required to provide information. For this research, a purposeful sampling procedure was used because the researcher intentionally opted to make use of CEOs of 80 national CSOs. Participants were selected purposively because the researcher felt they were able to provide in-depth information on the research topic.

3.8. DATA COLLECTION METHOD

The researcher collected both primary and secondary data that was used to investigate the research objectives used to determine the financial sustainability of local CSOs in Namibia. The process started with the review and search of previous studies similar to the topic, the use of internet and libraries to look for journal articles and reports that were useful for the research. Thereafter, the researcher did the analysis of secondary data which gave an idea on how to do the data collection, investigation and interpretation of primary data. Secondary data was collected to ensure relevance to the research problem and provide a good understanding of current information in the problem area. For this research, the researcher made use of interviews and questionnaires that were completed by CSO heads to collect data.

3.9. INFORMATION TO BE COLLECTED

Researchers should consider the kind of information that is possible to collect and examine in order to be able to decide on the sources that will provide suitable answers to the research questions. In qualitative research, the kinds of data obtainable is more general than in quantitative research. With the qualitative type of data, the researcher used non-structured and structured questions in questionnaires while in quantitative research, data was collected by structured questionnaires where the researcher had follow-up questions.
Yet again, with the methods of qualitative data, researchers are required to measure the options that will best address their research questions.

3.10. RESEARCH INSTRUMENTS

The information was collected using a structured questionnaire with both structured and non-structured questions. The questionnaire consisted of 6 sections. Section I was the Demographic Characteristics, Section II Donor Relationship Management, Section III looked at Income Diversification, Section IV was the Financial Management, Section V Management Competencies while Section VI looked at Financial Sustainability. The strength and reliability of the data collected and response rate depended to a large extent on the design of the questions. The questions used were straight-forward and less time consuming for both the researcher and the respondents (Owens, 2002). At the same time, it was affordable and information was collected in a short period of time. Borg and Gall (1996) argued that questionnaires are appropriate for studies since they collect information that is not directly observable, as they inquire about feelings, motivations, attitudes, accomplishments as well as the experience of individuals.

3.11. VALIDITY OF THE RESEARCH INSTRUMENTS

According to Colton and Covert (2007) validity describes the extent to which we measure what we purport to measure while Zikmund (2003) defined validity as the ability of the measuring instrument to measure what was intended to be measured. Therefore, validity is the extent to which the data collection instrument measures what it is supposed to measure. For this research, to ensure validity a questionnaire was distributed to a pilot group of randomly selected CSOs for perusal and to assess the structure and suitability of
the questions. The designed questionnaire was only finalised after consulting the researcher’s supervisor and CSO experts to confirm its validity. The sample used for the pilot research was not included in the final sample used in the actual research and their responses were only used for testing purposes. Instruments were later administered by the researcher after which a discussion was made to determine the suitability and relevance of the instruments for the final research. Uncertain items were revised in order to come up with the required information and to improve the quality of the instruments.

According to Huit, Hummel and Kaeck (1999) internal validity is the recognition that when it is associated with experimental research it refers both to how well the study was run and how confidently one can conclude that the change in the dependent variable was produced solely by the independent variable and not extraneous ones. On the other hand, external validity refers to the extent to which a study’s results can be generalised or applied to other people or settings.

3.12. RELIABILITY OF THE RESEARCH INSTRUMENTS

According to Sekaran (2003) reliability analysis is conducted to ensure that the measure of variables have internal consistency across time and across the various items that measure the same concept or variable. Reliability is a way of ensuring that instruments used for measuring experimental variables give the same results every time when used. A pilot study was undertaken to pre-test the data collection instrument for validity and reliability. The pilot study involved a sample of 10 employees of 10 CSOs in the Khomas Region. Reliability of the questionnaire was evaluated through Cronbach’s Alpha which measures the internal consistency and establishes if items within a scale measure the same
construct. The alpha index was computed using STATA and measured the average of measurable items and its correlation. Cronbach’s Alpha was established for every variable which formed a scale as shown in table 3.2 below.

Table 3.2: Reliability Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of items</th>
<th>Cronbach’s Alfa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of income</td>
<td>9</td>
<td>0.784</td>
</tr>
<tr>
<td>Factors that hinder funding</td>
<td>5</td>
<td>0.753</td>
</tr>
<tr>
<td>Strategies used to sustain funding</td>
<td>8</td>
<td>0.739</td>
</tr>
<tr>
<td>Factors that enhance funding</td>
<td>7</td>
<td>0.829</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td><strong>0.776</strong></td>
</tr>
</tbody>
</table>

Table 3.2 above shows that factors that enhance funding had the highest reliability ($\alpha=0.829$), followed by source of income ($\alpha=0.784$), factors that hinder funding ($\alpha=0.753$) and strategies CSOs use to attain funding ($\alpha=0.739$). This illustrates that all the four variables were reliable as their reliability values exceeded the prescribed threshold of 0.7 as contended by Field (2009). The results of the reliability test also revealed that all the four variables were reliable as the average index of 0.776 exceeded the adopted threshold of 0.7. This was an indication that source of income, factors that hinder funding, strategies used by CSOs in Namibia to attain funding and factors that enhance funding have relatively high internal consistency and measure the same construct.

3.13. RESEARCH PROCEDURES

A structured questionnaire was most appropriate for this research because it was deemed to be interpreted the same way by all respondents (Robson, 2011). The research procedure began with the preparation of the research instrument. The researcher sought appointment
through telephone with heads of local CSO’s in Namibia to inform them about the purpose of the research. Questionnaires were then administered by physically dropping them to the selected participants and picked up after completion while others were sent and received back via email in soft copy. This method of distribution was chosen because it was less costly and had a higher response rate. The list of local CSOs with contact details was obtained from the office of the Network Manager at NANASO/Global Fund. Participants were given sufficient time to provide feedback, though some respondents proved to be unavailable even after several reminder emails and follow-up phone calls. This resulted in the researcher collecting 72 filled questionnaires out of 80 administered. After receiving the questionnaires, they were verified to ensure that they were correctly filled. A code book was developed where questionnaires were coded.

3.14. DATA ANALYSIS

STATA was used for analysis of the data and to generate descriptive statistics such as mean and standard deviation among others. Inferential statistics was also used in data analysis. This included multiple regression analysis which was done to determine the relationship between the research variables. The regression equation was:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon \]

Whereby

- \( Y \) = Financial sustainability of CSOs
- \( X_1 \) = Source of funding
- \( X_2 \) = Factors that hinder funding
- \( X_3 \) = Strategies CSOs use to enhance funding
- \( X_4 \) = Factors that influence funding
β1, β2, β3, β4 and β5 = Coefficients of determination
ε = error term

3.5. DATA COLLECTION

In primary data collection, the researcher collects the data using qualitative and quantitative methods. The key point here is that the data collected is unique to the researcher and his/her research and, until he/she publishes, no one else has access to it. For this research primary data was collected by a self-administered questionnaire which was distributed to 80 local CSOs that were selected for the research. The questionnaires were structured in a standard format that was easy to understand and only required the respondents to indicate the correct response from the questions provided which were multiple choices, non-structures and structured questions. The questionnaire was explained to the participants with assurance of confidentiality, voluntary participation and that the data collected would only be used for the purpose of the research. The questionnaires looked at issues such as the factors hindering consistent funding and strategies to enhance financial sustainability. The questionnaire had non-structured questions where participants were requested to give reasons as to what they thought could be done to improve the financial sustainability of CSOs in Namibia.

For secondary data, the researcher made use of Annual reports of respondent Civil Society Organisations as well as interviews to gather suitable information. Furthermore, the researcher reviewed prior studies and weighed them against existing data in order to come up with conclusions and suitable recommendations. Other secondary sources of data were derived from published articles from journals, books, the internet, theses and related
financial sustainability studies. Getting secondary data of previous literature was more helpful and easy to use.

3.16. ETHICAL CONSIDERATIONS

Mehrens & Lehmans (2008), defined ethics in terms of a code of behavior appropriate to academics and the conduct of research. Bias is a term used to describe a tendency or preference towards a particular perspective, ideology or result, when the tendency interferes with the ability to be impartial, unprejudiced, or objective.

The researcher sought permission and consent from the management of the CSOs to conduct the research and also to collect data from their reports. At the same time an understanding was made to the participants that the results would be used to come up with strategies for the financial sustainability of CSOs. Therefore, this research was conducted with honesty and integrity in order to maintain the ethical issues without being influenced by any biases, perception, racial, tribal or personal beliefs and attitudes. All in all, the respondents were assured of the code of ethics and encouraged to give their honest opinions. The researcher took responsibility and accountability to ensure that the data collected is being kept under lock and key for a period of 5 years. Thereafter, it will be destroyed by shredding and burning.

3.17. RESPECT FOR ANONYMITY AND CONFIDENTIALITY

Participants were given prior information about the research and sufficient time was accorded to them to reflect on whether they were willing to participate or not. They were also allowed to ask questions and made to understand that they could decide to withdraw
from the research any time they wished so. Information collected is being kept safe and was only used for the intended purposes.

3.18 RESPECT FOR PRIVACY

There will be no risks associated to the research as the questions are strictly based on the subject matter. Participants were not required to share their personal and confidential information that may not encroach on their privacy. Invasion of privacy takes place when private information such as beliefs, attitudes, opinions and records is disseminated to others without the patent’s knowledge or consent (Schindler, 2014). The respect for participants’ privacy was taken into consideration and therefore the provision of clients’ personal information was on a voluntary basis.

3.19 INFORMED CONSENT

It was guaranteed that participants fully understood what they were being expected to do and that they were informed if there were any potential consequences of such participation (Salkind, 2013). With regard to informed consent, the researcher provided a form of written introduction to the participants that consisted of detailed information about the research. This was in order for them to make an informed, voluntary and rational decision to participate in the research. Information provided comprised the purpose of conducting the research and that they had the right not to take part in the research should they choose not to and that it would have no effect on their organisations.
3.20. SUMMARY

This chapter highlighted reviews on the research design of the research, the population, sample size, research instruments and procedures used to conduct the research. It also looked at methods used to analyse data and the research ethics considered for this research. Therefore, the chapter defined the way the research was carried out in order to fulfill the objectives of the study. The next chapter presents the results of the study and their discussion.
CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 INTRODUCTION

This chapter reports on the results of this study by, interpreting and discussing the findings. Each objective was analysed independently and the results are presented using tables, graphs and pie charts followed by narrative analysis. Commencing with the demographics of the respondents, all responses were analysed in terms of their distribution from which the narrative analysis draws patterns and ideas that answer the research objectives. Where applicable, the findings of this study were discussed in relation to the literature review.

4.2 RESPONSE RATE

The research targeted a sample size of 80 respondents from which 72 completed and returned the questionnaires making a response rate of 90 percent as shown in table 4.1 below. The response rate was therefore considered representative. According to Mugenda and Mugenda (2003), a response rate of 60 percent is good and a response rate of 70 percent and above is excellent. This response rate was thus considered more than adequate to make conclusions from the research. Based on the assertion, the response rate was considered to be excellent.
Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Questionnaire</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and Returned</td>
<td>72</td>
<td>90</td>
</tr>
<tr>
<td>Unreturned</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Total Distributed</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3 RESPONDENT DEMOGRAPHICS

The research sought to determine demographic information of the respondents. They were requested to indicate their gender, age category, level of education, experience and the number of years the CSO had been in existence.

4.3.1 Gender of the respondents

From the research findings in table 4.2 below, the majority of the respondents were males as shown by 83.4% whereas 16.6% indicated they were females. Although these findings indicated that both genders were involved in this research, the results suffered from gender biasness because the females were not fairly represented. This biasness might rest on the assumption that females are not well represented in top management of CSOs in Namibia.

Table 4.2: Gender of Respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>60</td>
<td>83.4</td>
</tr>
<tr>
<td>Female</td>
<td>12</td>
<td>16.6</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3.2 Age Group of Respondents

The researcher obtained details on the age groups of the respondents for purposes of understanding their age and possibly the experience they possess in their respective
positions in CSOs in Namibia. From figure 4.1 below, it can be deduced that the majority of the respondents were in the age bracket 25-50 years. It can therefore be concluded that the majority of the respondents were in the most productive age brackets of their life and were reasonably experienced.

![Figure 4.1: Age Group of Respondents](image)

**Figure 4.1: Age Group of Respondents**

**4.3.3 Educational level**

Upon request to provide their level of education; from the results in table 4.3 below, it indicates that the majority of the respondents possessed first degrees as represented by 58.3%, followed by diploma holders at 23.6%, while master’s degree holders were at 11.2%. The lowest educational level of the respondents was college certificate at 6.9%. These findings show that respondents who participated in this research had attained the basic education to understand the questions and thus provided credible information. Even those who possessed only college certificates had attained training related to the job they were assigned to in the organisation.
Table 4.3: Educational level of respondents

<table>
<thead>
<tr>
<th>Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>5</td>
<td>6.9</td>
</tr>
<tr>
<td>Diploma</td>
<td>17</td>
<td>23.6</td>
</tr>
<tr>
<td>First Degree</td>
<td>42</td>
<td>58.3</td>
</tr>
<tr>
<td>Master’s Degree</td>
<td>8</td>
<td>11.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>72</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.3.4 Years of CSO existence

The research set out to determine the years the CSOs had been in existence in Namibia. From the research findings, the majority of the respondents as shown in table 4.4 below, 62.5% indicated that their organisations had been in existence for a period of more than 9 years, 20.8% indicated less 5-8 years, 13.8% indicated between 3-5 years, while 2.8% indicated that their organisations had been in operation for between 1-2 years. This is an indication that the majority of the CSOs in Namibia have continued operating since most of the external donors exited the country 6 years ago after Namibia was declared a high middle-income country. However, it remains to be seen for how long these CSOs will stay in operation with no external funding.

Table 4.4: Years of existence

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>2</td>
<td>2.8</td>
</tr>
<tr>
<td>3-5</td>
<td>10</td>
<td>13.9</td>
</tr>
<tr>
<td>5-8</td>
<td>15</td>
<td>20.8</td>
</tr>
<tr>
<td>9 above</td>
<td>45</td>
<td>62.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>72</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
4.4 SOURCES OF FUNDING FOR CSOs IN NAMIBIA.

The first objective of the research was to determine the sources of funding for CSOs in Namibia. In relation to the above objective, respondents were asked to name the main source of funding for CSOs. The findings of the research determined that the main source of funding for CSOs in Namibia included donors, the private sector, own source of income, government and other sources.

Figure 4.2 below presents the responses on the main source of funding for CSOs in Namibia. The findings indicated that the main sources of funding for the majority of CSOs in Namibia was donors represented by 60%.

![Figure 4.2: Main Source of Funding for CSOs in Namibia](image)

4.4.1. Donors

When respondents were requested to indicate the source of funding of the CSOs, the majority indicated that their organisations were funded by donors at 60%. Donors were in
the category of international organisations, government agencies and philanthropists. This was in contrast to the literature review where it was indicated that the main source of funding for most CSOs in developed countries was their governments (Williams, 2008). The contributing factor to this anomaly might be the capacity the economies of the developed world have to sustain civil society organisations while economies of developing countries don’t have the capacity. This is in conformity with what Davis (2013) in his study, done in Malawi found, that the majority of the CSOs in developing countries are funded by external donor agencies because the governments cannot afford to fund the activities of the CSOs. This presents a big challenge to the CSOs because external donors are unreliable for sustainability purposes.

4.4.2 Private Sector

The private sector in Namibia plays a big role in financing civil society organisations. From figure 4.2 above, the research established that the private sector is the second highest source of funding for CSOs in Namibia. This was indicated by 20% of the respondents. The private sector organisations named ranged from multinational companies like MTC, Namibia Breweries to commercial banks, hotels and medium sized enterprises. This seems to be an indication that if tapped well, the private sector in Namibia could be a big influence in funding CSOs. This indication seems to be in conformity with a study that was carried out by Odindo (2008) which asserts that CSOs in Kenya resorted to mobilising funds within the country by providing services to the private sector at a fee.
4.4.3 Own Source of Income

Figure 1 above indicates that 10% of respondents named the main source of funding for CSOs in Namibia. The sources of income indicated were commercial properties, consultancy services and fundraising drives. This is an indication that strategic planning by CSOs might be the needed approach to their financial sustainability as it agrees with the assertion made by Davis (2013) who insisted that venturing into real estate and consultancy services is the way forward to financial sustainability by CSOs in Malawi.

4.4.4 Government.

As opposed to CSOs in developed countries which are funded by their governments (Caccavale, Haver & Stoddard, 2016cb), CSOs in Namibia are hardly funded by the government. From figure 1 above, only 5% of the respondents indicated that their main source of funding was from the government, even though government funding would seem to be the most stable revenue source for CSOs. This government funding was in the form of grants, contracts and subsidies.

4.4.5 Other Sources of Funding

The results in figure 4.2 above show that 5% of the respondents indicated that their main source of income was other sources. Other sources included international friends, churches and philanthropy. Other sources also included volunteers like Peace Corps who went back home after working with the CSOs and started mobilising resources on behalf of the CSOs. The findings however showed that CSOs who indicated other sources as their main source of funding were struggling. This could be because their financial
sustainability relied on the capabilities of the former volunteers to mobilise enough resources in their country of origin.

4.5 FACTORS THAT HINDER CONSISTENT FUNDING FOR CSOs IN NAMIBIA

The second objective of the research was to establish factors that hindered consistent funding for CSOs in Namibia. Economic, Government, CSO related, and Legal factors were established to be the factors that seem to hinder consistent funding of CSOs in Namibia.

4.5.1 Economic Factors.

Economic related factors were regarded to be a major factor in hindering financial sustainability of CSOs in Namibia. Economic factors included global economic recession and poverty and economic challenges in the country.

Figure 4.3: Economic Factors
From figure 4.3 above, the majority of the respondents at 72% agreed that global economic recession was a factor that hinders financial sustainability of CSOs in Namibia. The respondents that quoted this factor were those whose main source of funding was external donors. Similarly, the respondents who mentioned poverty and economic challenges were those whose main source of funding was through consultancy services, the private sector and individual donations at 28%.

4.5.2 Government Related Factors

From the findings, government related factors that were mentioned by the respondents included change in the country’s economic status, government reduced spending and change in policies and regulations.

![Government Related Factors](image)

**Figure 4.4: Government Related Factors.**

In figure 4.4 above, the majority of the respondents at 58% mentioned change in Namibia’s economic status as the main factor that hinders financial sustainability of CSOs
in Namibia. This was followed by those who mentioned that reduced government spending was a factor at 29% followed by change in policies and regulations at 13%. Thus, this evidence could give support to the argument that the classification of Namibia as a high middle-income country by World Bank in 2009 was misguided since majority of CSOs main source of funding was external donors who pulled out of the country because of this classification. This also resulted in a reduction of spending by the government because some projects were being funded by development partners.

4.5.3 CSO Related Factors

CSOs related factors that the research established were hindering financial sustainability of CSOs in Namibia included lack of donor awareness by CSOs, donor behaviour and cost of fundraising.

![Figure 4.5: CSO Related Factors.](image)
From the results in figure 4.5 above, on almost equal percentages of 49% and 44% of the respondents respectively seem to agree that lack of donor awareness and donor behaviour are factors that hinder financial sustainability of CSOs in Namibia. Those who think that cost of fundraising plays a role in CSO sustainability in Namibia are at 7% which would seem to suggest that some CSOs in Namibia have no professionals with capacity to raise funds through fund raising activities which necessitates them to pay commission to external fundraisers. This is in conformity with Williams (2008), who noted that external fundraisers require a big commission on the funds they raise on behalf of organisations which many donors may refuse to pay.

4.5.4 Legal Factors

The research established that legal factors including laws as a barrier to CSOs growth and legal environment hinders the sustainability of CSOs in Namibia financially.

![Legal Factors](image)

Figure 4.6: Legal Factors
Results from the evidence in figure 4.6 above suggest that the majority of the respondents at 86% agreed that laws in Namibia hinder financial sustainability of CSOs, followed by legal environment at 14%. Respondents indicated that legal barriers to funding have become increasingly common in recent years; targeting foreign funding in particular from sources government is not sure of the origin. Most directly, the law may prohibit the receipt of certain categories of funding altogether. This finding agrees with Jillo (2009) who argued that governments, the world over try to justify legal restrictions under the pretext of promoting CSO accountability, protecting state sovereignty, or preserving national interests.

4.6 STRATEGIES CSOs IN NAMIBIA USE TO ENHANCE FINANCIAL SUSTAINABILITY.

The third objective of the research was to establish the strategies that CSOs in Namibia employ to enhance financial sustainability. These strategies the research established were diversified funding sources, innovative fundraising and strategic management.

4.6.1 Diversified Funding Sources.

Diversified funding strategies of CSOs in Namibia that the respondents mentioned were commercial properties, consultancy services and investment accounts.
Diversifying sources of funding is crucial for CSOs in Namibia to attain financial sustainability. The obtained data from the research outlined in figure 4.7 above suggests that there were little diversified funding sources for CSOs in Namibia. This is represented by the majority of respondents totalling 65 in number who indicated that the only diversified funding source was offering consultancy services at a fee. Only 5 respondents indicated that they had commercial properties while a meagre number of 2 respondents indicated that the CSO had an investment account. This is in contrast with Viebahn (2002) who asserted that for CSOs to achieve financial sustainability they must aspire to have properties and invest in bonds.

**Figure 4.7: Diversified Funding Sources**

Diversifying sources of funding is crucial for CSOs in Namibia to attain financial sustainability. The obtained data from the research outlined in figure 4.7 above suggests that there were little diversified funding sources for CSOs in Namibia. This is represented by the majority of respondents totalling 65 in number who indicated that the only diversified funding source was offering consultancy services at a fee. Only 5 respondents indicated that they had commercial properties while a meagre number of 2 respondents indicated that the CSO had an investment account. This is in contrast with Viebahn (2002) who asserted that for CSOs to achieve financial sustainability they must aspire to have properties and invest in bonds.
4.6.2 Innovative Fundraising

Innovative fundraising activities that the respondents cited were training in proposal writing, expanding the scope of external donors and identifying more local funding sources.

![Innovative Fundraising](chart)

**Figure 4.8: Innovative Fundraising**

According to the evidence of the responses in figure 4.8 above, the majority of the respondents mentioned that identification of local funding sources was one of the strategies CSOs in Namibia were employing to attain financial sustainability with a total number of 30, followed by 26 who indicated that training in proposal writing was the strategy, while 14 indicated expanding the scope of donors was the strategy the CSOs were using to achieve financial sustainability.
4.6.3 Strategic Management

According to HR Council (2011), strategic management is a process that involves anticipating future needs integrating systems to accomplish the goals of an organisation. Strategic management helps to predict an organisation's future needs through analysis of the present resources, the external environment and creating scenarios about the future situation. Thus, the respondents mentioned sound management, availability of a strategic plan and availability of operational plan as necessities that CSOs in Namibia were deploying to attain financial sustainability.

![Figure 4.9: Strategic Management](image)

From figure 4.9 above, all the 72 respondents agreed that the availability of operational plans in strategic management was one of the strategies that CSOs in Namibia were using to achieve financial sustainability. This was followed by the availability of strategic plans at 65 respondents, while 15 respondents indicated that CSOs in Namibia had sound
management in pursuing financial sustainability. This would seem to suggest that majority of CSOs in Namibia lack skilled managers to successfully strategize for the financial sustainability contrasting to the results of the study by Okorley and Nkhumah (2012) which asserted that leadership is critical for marshalling the needed funds for CSOs.

4.7 FACTORS THAT PROMOTE FINANCIAL SUSTAINABILITY OF CSOs IN NAMIBIA.

The last objective of the research was to determine the factors that promote financial sustainability of CSOs in Namibia. According to the findings of the research, factors that were named by the respondents that influence financial sustainability of CSOs in Namibia included donor relationship management, income diversification, financial management, management competence and financial sustainability. The analysis of the findings is shown below.

4.7.1 Donor Relationship management

Table 4.5: Donor relationship management and financial sustainability of CSOs

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>12</td>
<td>16.7</td>
</tr>
<tr>
<td>Great Extent</td>
<td>50</td>
<td>69.5</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>5</td>
<td>6.9</td>
</tr>
<tr>
<td>Little extent</td>
<td>4</td>
<td>5.5</td>
</tr>
<tr>
<td>No extent</td>
<td>1</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>72</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
When it was put to the respondents to indicate the extent to which donor relationship management is a factor to enhance financial sustainability of CSOs in Namibia, the findings in table 4.5 above indicate that the majority of the respondents indicated that donor relationship management is an important factor to enhance financial sustainability of CSOs to a great extent by 69.5%, followed by 16.7% who indicated to a very great extent, while 6.9% indicated moderate extent and 5.5% indicated little extent while 1.4% indicated that it is not a factor to enhance financial sustainability of the CSO. Deducing from the findings, it is clear that donor relationship management is perceived to enhance financial sustainability of CSOs in Namibia to a great extent. These findings are in accordance with Lewis (2011) who deduced that there is a strong positive relationship between donor relationship management and financial sustainability of CSOs.

**Table 4.6: Income diversification and sustainability**

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>Great extent</td>
<td>46</td>
<td>63.9</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>7</td>
<td>9.7</td>
</tr>
<tr>
<td>Little extent</td>
<td>4</td>
<td>5.6</td>
</tr>
<tr>
<td>No extent</td>
<td>2</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>72</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**4.7.2 Income diversification and sustainability**

Respondents were asked to indicate the extent to which income diversification influenced financial sustainability of CSOs in Namibia and from the findings, it can be concluded that income diversification is a very important factor in financial sustainability of CSOs.
The majority of the respondents at 63.9% indicated that income diversification influenced financial sustainability of the CSOs to a great extent in table 4.6 above, 18% indicated to a very great extent, 9.7% indicated to a moderate extent, while 5.6% indicated little extent and 2.8% indicated no extent. These findings show that income diversification is perceived to influence financial sustainability of CSOs in Namibia to a great extent.

4.7.3 Financial management and financial sustainability

The research sought to establish the effects of financial management practices on the financial sustainability of CSOs in Namibia. The research found that the majority of the respondents presented in figure 4.10 below, 90% indicated that budget control affected financial sustainability of the organisations, keeping accounting records followed at 80%, 75% indicated financial reporting, while 70% mentioned cash flow management and internal control systems came at 65% as important in CSO financial sustainability.

![Figure 4.10: Financial management and financial sustainability](image-url)
4.7.4 Management competence and financial sustainability

The respondents were requested to indicate their level of agreement that management competence influences financial sustainability of CSOs in Namibia. From the findings in table 4.7 below, the majority of the respondents agreed that management competence affected financial sustainability by 69.4%, followed by 15.3% of respondents who strongly agreed, 11.1% were neutral while 4.2% disagreed that management competence had a bearing on financial sustainability of CSOs in Namibia. This is similar to the study done by Njoroge (2013) which asserted that there was a strong relationship between management competence and financial sustainability of CSOs in Kenya.

Table 4.7: Management competence and financial sustainability

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>11</td>
<td>15.3</td>
</tr>
<tr>
<td>Agree</td>
<td>50</td>
<td>69.4</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>11.1</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>4.2</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>100</td>
</tr>
</tbody>
</table>

4.7.5 Financial Sustainability

Respondents were asked to indicate their agreement level that CSOs in Namibia were financially sustainable. From the findings indicated in table 4.8 below, majority of the respondents disagreed that CSOs in Namibia were financially sustainable represented by 69.4%, 16.7% of the respondents couldn’t tell, while 6.9% represents both the respondents who agreed and strongly disagreed respectively. These findings show that majority of the
CSOs in Namibia are financially unsustainable which corresponds with Ali (2012) who stated that majority of CSOs in Sub Saharan Africa are financially unsustainable.

### Table 4.8: Financial sustainability

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>5</td>
<td>6.9</td>
</tr>
<tr>
<td>Neutral</td>
<td>12</td>
<td>16.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>50</td>
<td>69.4</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
<td>6.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>72</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### 4.7.5.1 Ratios to measure financial sustainability

Regarding the ratios used to measure financial sustainability, the researcher requested the respondents to indicate the main ratio used by their organisations to measure financial sustainability. The findings in table 4.9 below shows that the majority of the respondents indicated that their organisations used the self-sufficiency ratio to measure financial sustainability at 77.8%, followed by adequacy of resources ratio at 16.7% and lastly reliance of revenue resource ratio at 5.5%. This indicates that CSOs in Namibia use various ratios to measure financial sustainability. On the contrary, Saungweme (2014) argues that the survival ratios like self-sufficiency were found to be very low in CSOs in Namibia.
Table 4.9: Ratios to measure financial sustainability

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequacy of resources ratio</td>
<td>12</td>
<td>16.7</td>
</tr>
<tr>
<td>Self-sufficiency ratio</td>
<td>56</td>
<td>77.8</td>
</tr>
<tr>
<td>Reliance of revenue resource</td>
<td>4</td>
<td>5.5</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>100</td>
</tr>
</tbody>
</table>

4.8 REGRESSION ANALYSIS

Using the ANOVA statistics, the research established the regression model had a significance level of 0.000 which is an indication that the data was ideal for making a conclusion on the population parameters. The calculated value was greater than the critical value (11.35>2.46) an indication that donor relationship management, income diversification, financial management and management competence affect the financial sustainability of CSOs in Namibia. The significance value was less than 0.05 indicating that the combined relationship between the selected factors on the financial sustainability of CSOs in Namibia was significant (Critical value = 2.46).

From the findings, the value of adjusted R squared was 0.2549 an indication that there was a variation of 0.2549 on financial sustainability of CSOs in Namibia due to changes in donor relationship management, income diversification, financial management and management competence at 95% confidence interval. This showed that 25.49% changes on financial sustainability of CSOs in Namibia could be accounted for by changes in donor relationship management, income diversification, financial management and management
competence. Further it shows that 74.51% change in financial sustainability of CSOs in Namibia is accounted for by other factors other than donor relationship management, income diversification, financial management and management competence.

**Table 4.10: Model summary and ANOVA**

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>Df</th>
<th>MS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model residue</td>
<td>169.07362</td>
<td>4</td>
<td>42.26826556</td>
</tr>
<tr>
<td></td>
<td>435.812184</td>
<td>68</td>
<td>3.72489046</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Number of obs = 72  
F (4117) = 11.35  
Prob>F = 0.000  
R-Squared = 0.2795  
Adjusted R-squared = 0.2549  
Root MSE = 1.93

**4.8.1 Regression coefficients**

Assuming a linear relationship between the independent and the dependent variable and guided by OLS estimation methods, the relationship between the independent and dependent variables as presented by the regression model was tested. The multiple regression equation was:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \]
Where Y represented the financial sustainability of CSOs in Namibia, X1 = main source of funding, X2 = factors that hinder funding, X3 = strategies CSOs use to sustain funding and X4 = factors that influence funding. From the data in the table 11 above the established regression equation was:

\[ Y = -1.5707 + 0.3243 X_1 + 0.2328X_2 + 0.0297X_3 + 0.2216X_4 \]

From the regression equation above, it was revealed that keeping donor relationship management, income diversification, financial management and management competence to a constant zero, financial sustainability would be at -1.5707. A unit increase in donor relationship management would lead to increase in financial sustainability of CSOs by 0.3243, a unit increase in income diversification would lead to increase in financial sustainability of CSOs by 0.2328, a unit increase in financial management would lead to increase in financial sustainability of CSOs by 0.0297 and unit increase in management competence would lead to increase in financial sustainability of CSOs by 0.2216. All the factors except financial management were found to significantly affect financial sustainability as the p-value for the three variables is below 0.05 while that of financial management is above 0.05.
CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter presents and discusses the key findings from the research, draws conclusions from the findings, and makes appropriate recommendations. The conclusions and recommendations drawn were focused on addressing the major objective of the research. The researcher intended to investigate the factors influencing the financial sustainability of CSOs in Namibia.

5.2 SUMMARY

Chapter one set the tone of the research by briefly giving a background on the research topic, the problem to be investigated, setting the objectives of the research, why it was necessary to carry out the research and the scope of the study, as well as the limitations of the study. Unfamiliar terms that were used in the research were also defined.

The literature review for the study in chapter 2 indicated that the financial sustainability is important for CSOs to survive the funding withdrawal of external donors. Literature from different scholars indicated that there are different sources of funding for CSOs. It also covered, factors that hinder consistent funding of CSOs; factors that influence financial sustainability of CSOs and strategies that CSOs can employ to enhance their financial sustainability. Factors including: donor relationship management, diversified income, financial management, management competence and financial sustainability were cited as the main contributing factors that influence financial sustainability of CSOs.
Literature review also revealed that as opposed to CSOs in developed countries that are bankrolled by their governments, CSOs in developing countries struggle because the governments cannot afford to fund them due to incapability of the economies.

Theories of sustainability were also explored in the literature review, as well as empirical review of other literature regarding the research topic. Literature review narrowed to exploration of main funding sources, factors that enhance financial sustainability, factors that hinder financial sustainability in Namibia and the strategies they use to attain financial sustainability and concluded with a conceptual framework on financial sustainability of CSOs.

Chapter three indicated the methodology the research undertook in terms of research philosophy that dealt with with the source, nature and development of knowledge; research approach that explored the phenomenon of financial sustainability of CSOs and came up with recommendations for the financial sustainability of CSOs in Namibia; the research design which was the roadmap the research. Similarly, the population of the research, the sample size, the sampling procedure, data collection methods, information to be collected and the research instruments that were used to collect the data and how the data would be analysed was discussed in this section.

Chapter four presented the findings obtained from the analysis of the primary data. It presented the findings of the analysis based on the objectives of the research. The data was analysed using STATA and presented in tables, graphs, pie charts and a narrative discussion was given.
From the findings presented in chapter four, the majority of the respondents indicated that they strongly agreed that donor relationship management affected financial sustainability of CSOs in Namibia. On the extent to which income diversification promoted financial sustainability, the majority of the respondents indicated that income diversification promoted financial sustainability of CSOs.

The research sought to establish the effects of financial management practices on the financial sustainability of CSOs in Namibia. On this effect, the research found that the majority of the respondents indicated that budget control, keeping up to date accounts records, financial reporting, cash flow management and internal control system practices promoted financial sustainability of CSOs in Namibia.

On the level of agreement that management competence promotes financial sustainability of CSOs in Namibia, the research concluded that the respondents agreed that management competence is an important factor in promoting financial sustainability. On the other hand, on the level of agreement that CSOs in Namibia were financially sustainable, the majority of the respondents disagreed that their organisations were financially sustainable.

Others indicated adequacy of resources, ration and revenue source ratio. From the research findings, the respondents agreed that their organisations had strategic plans on which their activities were based; a high level of unpaid debts by customers; inadequate funding to implement their projects, and there was a high level of unnecessary expenses which were not provided for in the annual budget.
5.3 CONCLUSIONS

The study investigated factors affecting financial sustainability of CSOs in Namibia. Data was collected from 72 CSOs from different regions in the country. Below is a presentation of a summary of the findings as per the objectives of the research.

5.3.1 Objective 1: Main Source of Funding for CSOs in Namibia

Deducing from the results of the findings of the research, the researcher concluded that the main sources of funding for CSOs in Namibia were donors, the private sector, own source of income, government and other sources. This was confirmed by 60% of respondents, 20%, 10%, 5% and 5% in that order.

The research further concluded that income diversification rather than relying on one or a few sources of funding is important in enhancing the financial sustainability of CSOs. Thus, CSOs in Namibia should aspire to diversify their sources of funding if they were to attain financial sustainability because the majority of CSOs in Namibia derive their main source of funding from donors.

5.3.2 Objective 2: Factors that hinder consistent funding for CSOs in Namibia

The research determined that factors that hinder consistent funding for CSOs in Namibia included: economic related factors, government related factors, CSOs’ related factors and legal related factors. Thus, the study concluded that economically, global economic recession and poverty and economic challenges in the country hinder consistent funding for CSOs in Namibia. This finding was confirmed by 72% and 28% of the respondents respectively.
Similarly, government related factors that hinder consistent funding for CSOs in Namibia included: change in economic status, reduction in government spending and change in policies and regulations. The research concluded that government related factors are hindering financial sustainability of CSOs in Namibia as supported by majority of respondents at 58% who cited change in economic status of Namibia by World Bank in 2009 to high middle-income status, followed by 29% who cited reduced government spending while 13% cited change in policies and regulations. This is in accordance with Wathome (2013) who argued that CSOs that are funded by the government get affected when the government reduces its expenditure due to economic slowdown.

At the same time, the research concluded that CSO related factors hinder consistent funding for CSOs in Namibia. Lack of donor awareness by CSOs and donor behaviour were mentioned by respondents as indicated at 49% and 44% respectively. The research concluded that the cost of fundraising was cited because some CSOs in Namibia don’t have skilled people to do fundraising, thus, they engage professional fundraisers who take a big commission from the funds they raise. This was supported by 7% of the respondents.

Lastly the research concluded that legal related factors hinder consistent funding for CSOs in Namibia through laws and the legal environment. This was supported by 86% of respondents who mentioned laws as a factor and 24% who indicated the legal environment. Respondents indicated that legal barriers to funding have become increasingly common in recent years; targeting foreign funding in particular from sources government is not sure of the origin. Most directly, the law may prohibit the receipt of certain categories of funding altogether.
5.3.3 Objective 3: Strategies CSOs in Namibia use to Enhance Financial Sustainability.

Research findings concluded that CSOs in Namibia employed a number of strategies to enhance financial sustainability through diversified funding sources including consultancy services, ownership of properties, investment accounts, innovative fundraising and strategic management. On consultancy services, research findings suggest that this seems to be the preferred approach by the majority of the respondents supported by 65 respondents out of 72.

Thus, the research results concluded that other approaches of diversifying funding sources like ownership of properties and investment accounts are not fully embraced by CSOs in Namibia. This is supported by only 5 respondents who mentioned ownership of properties by CSOs and 2 respondents who indicated that CSOs in Namibia had investment accounts. This is in contrast with what Friedman and Miles (2006) asserted that for CSOs to enhance financial sustainability, they needed to venture into investment in bonds and real estate.

Innovative fundraising was regarded as a strategy that CSOs in Namibia were employing to enhance financial sustainability through identification of local funding sources, training in proposal writing and expanding the scope of donors. Thus, the research concluded that the majority of the CSOs in Namibia were using the strategy of identifying local funding sources; this was supported by 30 respondents out of 72, while 26 respondents indicated that training in proposal writing was the preferred strategy CSOs were using and 14 respondents indicated that expanding the scope of donors was the strategy CSOs were using to enhance financial sustainability.
The research further concluded that strategic management was a strategy that CSOs in Namibia were using to enhance financial sustainability. All the 72 respondents emphasized the availability of operational plans as a precursor to financial sustainability; 65 respondents indicated that having strategic plans was an important aspect in the attainment of financial sustainability while 15 respondents indicated that sound management was a strategy was essential to enhance the financial sustainability for CSOs in Namibia. This is in accordance with Cammay and Gordon (1997) who argued that without projecting the future through a strategic plan, which is the responsibility of the management of CSOs, financial independence can never be achieved.

5.3.4 Objective 4: Factors that promote Financial Sustainability of CSOs in Namibia

On the basis of the evidence from the findings, it is fair to deduce that the majority of CSOs in Namibia take donor relationship management, income diversification, financial management, management competence and financial sustainability as the factors that promote financial sustainability of CSOs.

The research concluded that cultivating an excellent donor relationship is important in influencing financial sustainability of CSOs in Namibia. This is supported by the majority of respondents at 69.5% when asked to what extent they thought donor relationship management promoted financial sustainability; responded that it does on a great extent; 16% responded that it was of very great extent; 6.9% responded that it was of moderate extent, while 5.5% said that it was of little extent and 1.4% indicated that it was of no extent.
Even though the majority of respondents were in line with what Odindo (2008) asserted that having a good working relationship with donors puts an organisation in a good position to get more donors on board, the possible explanation why some respondents did not agree with this claim could be that they represented CSOs that had their own source of income and did not rely on donors. Furthermore, the research concluded that income diversification is an important factor in promoting financial sustainability for CSOs in Namibia. When asked to what extent they agreed with this statement, majority of the respondents at 63.9% agreed that it was of great extent, 18% admitted that it was of very great extent, while 9.7% said it was of moderate extent. However, 5.6% and 2.8% of respondents disagreed that it was of little extent and no extent respectively.

The research also concluded that financial management was an important factor in enhancing financial sustainability of CSOs in Namibia through budget control, keeping records of accounts, financial reporting, cash flow management and internal control systems. The majority of respondents at 90% agreed that budget control was an important factor, 80% of respondents indicated keeping accounts records, followed by financial reporting at 75%, cash flow management at 70% and internal control systems at 65%.

Similarly, the research concluded that management competence is a factor that enhances financial sustainability for CSOs in Namibia. Without competent management an organisation cannot be sustained according to Williams (2008). Thus, this conclusion is in accordance with a study done by Wathome (2013) which found out that competent management was an important aspect of donor confidence to fund CSOs in Kenya. This was supported by 69.4% of respondents who agreed that management competence was an
important factor, 15.3% strongly agreed while 11.1% remained neutral and 4.2% disagreed with the statement that management competence was an important factor in financial sustainability for CSOs in Namibia.

On the basis of evidence from the findings of the research, it is fair to conclude that financial sustainability itself is an important factor in sustaining CSOs financially in Namibia. Without recognising that financial sustainability is an important factor in the existence of the CSOs, they may not strategize to mobilise more resources. When it was put to respondents whether CSOs in Namibia were financially sustained, 69.4% disagreed that CSOs in Namibia were financially sustained, 6.9% strongly disagreed, while 16.7% remained neutral and 6.9% respondents agreed that CSOs in Namibia were sustained financially.

5.4 RECOMMENDATIONS

Based on the above conclusions, the study made the following recommendations:

5.4.1 Establishment of own Income Generating Projects.

CSOs in Namibia should come up with their own income generating projects. This would ensure continuity of the projects in case of withdrawal of donor funding. There are already examples of CSOs that are generating their own income through business ventures and consultancy services. These are good practices that could be copied by other CSOs.

5.4.2 Diversified Funding Base

CSOs in Namibia should secure funds from as wide a base as possible – the local business community, national and local government and the general public – and not just from
external, institutional donors such as foreign NGOs. CSOs have to expand their fundraising activities directed at the general public and also tap local corporate donors for monetary and in-kind support.

5.4.3 Approaching Corporate Bodies

The corporate bodies today are increasingly becoming aware of their responsibility towards the society. The local CSOs can approach the corporate bodies for their support. This would help the local CSOs solve their problem of human and capital resources as well as securing funds to implement their development projects. The corporate bodies could work in tandem with the local CSOs and help them carry out all their activities in a better and organised way. If this is done, the local CSOs would appreciate that one of the best ways of securing funding is leveraging corporate bodies to get directly involved in their development interventions.

5.4.4 Ensure Availability of Unrestricted Funds

Funds that are received from donors for a specific purpose are known as restricted funds. Local CSOs are legally obliged to use them for the reason that the donor gave them. In contrast, unrestricted funds can be used for anything that helps the CSOs to achieve their mission. The more unrestricted funds CSOs have, the more freedom of action they have. CSOs can choose and change the projects that they want to run and they can cover costs that donors are reluctant to fund, like overheads and staff salaries.
5.4.5 Strong Stakeholder Relationships

The more CSOs can build and manage a positive relationship with donors, the stronger position they will be in. The key to financial sustainability is to develop relationships with an eye to the future as well as meeting today’s needs. This means building the confidence of donors over time. For instance, it may not be appropriate to press them for funds today, if you believe that you might win more funds from them in the future. It is a mistake for CSOs to take funds for projects that they cannot deliver, just because the money is available. This will harm their relationship with the donor and reduce the chance of winning funds that they really need next year or the year afterwards.

5.4.6 Prudent and Sound Organisational Management

The discussions from the research showed lack of competent management by most of the CSOs. This greatly affected access to funding from especially internal corporate and individuals. It is therefore important that CSOs in Namibia realise the importance of organisational structure and work towards the development of one. They must also be transparent in the use of funds and accountable to their donors. Moreover, qualified personnel need to be employed to help project the good image of CSOs to other internal and foreign donors.

5.4.7 Financial Management

Further the CSOs should adopt proper accounting techniques to ensure preparation of relevant financial records supported by proper documentation. This would reduce cases of fraud and meet the requirements set by donors for funding.
5.5 AREAS FOR FUTURE RESEARCH

Further research should be carried out to cover smaller NGOs and CBOs in Namibia because they also depend on donor funding. This research covered only 80 National CSOs in Namibia, yet there are more than 300 CSOs in the country. This will help in coming to a solid conclusion if similar research was carried out on smaller CSOs whose operations were affected by the withdrawal of external funding.
6. REFERENCES


Hodge & Piccolo, (2005), Civic Organisations Partnership Policy. Windhoek: National


International Centre for Not-for-Profit Law [ICNL], (2008), World Movement for Democracy Secretariat


House Pvt. Ltd.


Program Brief No. 12, pp. 3-10.


Appendix A: CONSENT TO PARTICIPATE IN RESEARCH

TITLE OF THE RESEARCH PROJECT: “Investigating Factors Affecting the Financial Sustainability of CSOs in Namibia”

Researcher: Phillemon Ephraim

Contact Number: +264811240586

Dear Sir/Madam

My name is Phillemon Ephraim. I am a student at University of Namibia and I would like to invite you to participate in a research project entitled “Investigating Factors Affecting Financial Sustainability of CSOs in Namibia.”

Please take time to read the information presented, which will explain the details of this project and contact me if you require further explanation or clarification of any aspect of the study. Also, your participation is entirely voluntary and you are free to decline to participate. If decline to participate it will not affect you negatively in any way whatsoever. You are also free to withdraw from the study at any point, even if you do agree to take part.

If you are willing to participate in this study, please sign the attached Declaration of Consent and hand it or email it back to me.

Yours sincerely
Phillemon Ephraim
Researcher
DECLARATION BY PARTICIPANT

By signing below, I ………………………………………………………………… agree to take part in a research study entitled “Investigating Factors Affecting Financial Sustainability of CSOs in Namibia” conducted by Phillemon Ephraim.

I declare that:

- I have read the attached information and it is written in a language with which I am fluent and comfortable.

- I have had a chance to ask questions and all my questions have been adequately answered.

- I understand that taking part in this study is voluntary and I have not been pressurised to take part.

- I may choose to leave the study at any time and will not be penalised or prejudiced in any way.

- I may be asked to leave the study before it has finished, if the researcher feels it is in my best interests, or if I do not follow the study plan, as agreed to.

- All issues related to privacy and the confidentiality and use of the information I provide have been explained to my satisfaction.

Signed at ……………………………………….. On (date) ……………………….. 2018.

........................................................................................................
Signature of participant

DECLARATION BY THE INVESTIGATOR

I ______________________________

declare that I explained the information in this document to:

______________ [name of the participant]

[He/she] was encouraged and given ample time to ask me any questions. This conversation was conducted in English and no translator was used.

______________________________  __________
Signature of the researcher  Date
Appendix B: Questionnaire

Investigating Factors Affecting Financial Sustainability of CSOs in Namibia.

Place of Completion…………………………………………………………

Date of Completion…………………………………………………………

SECTION A: PERSONAL INFORMATION

DEMOGRAPHIC CHARACTERISTICS

a. What is your age bracket?

   Below 25 years [ ]
   25 and over but below 50 years [ ]
   50 years and above [ ]

b. Kindly indicate your gender

<table>
<thead>
<tr>
<th></th>
<th>Tick Appropriate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
</tr>
</tbody>
</table>

c. Kindly indicate the years of existence of this organisation

<table>
<thead>
<tr>
<th>Years</th>
<th>Tick Appropriate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td></td>
</tr>
<tr>
<td>3-5</td>
<td></td>
</tr>
<tr>
<td>5-8</td>
<td></td>
</tr>
<tr>
<td>9 and above</td>
<td></td>
</tr>
</tbody>
</table>
d. Kindly indicate your level of education

<table>
<thead>
<tr>
<th>Level</th>
<th>Tick Appropriate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td></td>
</tr>
<tr>
<td>Diploma</td>
<td></td>
</tr>
<tr>
<td>First Degree</td>
<td></td>
</tr>
<tr>
<td>Master’s Degree</td>
<td></td>
</tr>
<tr>
<td>Other (Please specify)</td>
<td></td>
</tr>
</tbody>
</table>

**SECTION 1: MAIN SOURCE OF FUNDING**

1.1 Kindly indicate the main source of funding for your organisation by indicating the level of agreement for the following statements (1-Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>My organisation highly relies on external donor funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organisation is involved in income generating activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organisation does fundraise from private sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organisation offers consultancies and trainings for a fee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donor funding is the only source of funding for my organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.2 Kindly indicate other sources of funding for your organisation if any

..........................................................................................................................................................................................................
..........................................................................................................................................................................................................
...........................................................................................................................................................................................................

104
2: FACTORS THAT HINDER CONSISTENT FUNDING

2.1. Kindly indicate the factors that hinder consistent funding for your organisation

Please tick where appropriate

<table>
<thead>
<tr>
<th>Factors that hinder Consistent funding for CSOs</th>
<th>To what extent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very great extent</td>
</tr>
<tr>
<td>Reduced government spending</td>
<td></td>
</tr>
<tr>
<td>Change in policy and regulation</td>
<td></td>
</tr>
<tr>
<td>Change in country’s economic status</td>
<td></td>
</tr>
<tr>
<td>Poverty and economic challenges</td>
<td></td>
</tr>
<tr>
<td>Global economic recession</td>
<td></td>
</tr>
<tr>
<td>Barring laws</td>
<td></td>
</tr>
<tr>
<td>Legal environment</td>
<td></td>
</tr>
<tr>
<td>Lack of potential awareness by CSOs</td>
<td></td>
</tr>
<tr>
<td>Cost of fundraising</td>
<td></td>
</tr>
<tr>
<td>Donor behaviour</td>
<td></td>
</tr>
<tr>
<td>Lack of accountability</td>
<td></td>
</tr>
<tr>
<td>Lack of skills to fundraise</td>
<td></td>
</tr>
</tbody>
</table>
3: FACTORS THAT INFLUENCE FINANCIAL SUSTAINABILITY

3.1 Please indicate to what extent you agree with the following statements about the influence on financial sustainability for CSOs in Namibia

SD=Strongly Disagree, D=Disagree, N=Neutral, A=Agree, SA=Strongly Agree

<table>
<thead>
<tr>
<th>Factor</th>
<th>Level of influence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
</tr>
<tr>
<td>Donor relationship management</td>
<td></td>
</tr>
<tr>
<td>Income diversification</td>
<td></td>
</tr>
<tr>
<td>Financial management</td>
<td></td>
</tr>
<tr>
<td>Management competence</td>
<td></td>
</tr>
<tr>
<td>Financial sustainability</td>
<td></td>
</tr>
</tbody>
</table>

4. STRATEGIES TO ENHANCE FINANCIAL SUSTAINABILITY BY CSOs IN NAMIBIA

4.1 Please outline strategies that your organisation employ to sustain itself financially

........................................................................................................................................
........................................................................................................................................

4.2 What do you think could be done to improve financial sustainability of CSOs in Namibia?

........................................................................................................................................
........................................................................................................................................

Thank you.
Appendix C: List of National NGOs Data was collected from

<table>
<thead>
<tr>
<th>#</th>
<th>Name of Organisation</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Namibia Network of AIDS Service Organisations (NANASO)</td>
<td>Windhoek</td>
</tr>
<tr>
<td>2.</td>
<td>Star for Life</td>
<td>Windhoek</td>
</tr>
<tr>
<td>3.</td>
<td>Bridge of Hope</td>
<td>Windhoek</td>
</tr>
<tr>
<td>4.</td>
<td>Catholic AIDS Action</td>
<td>Windhoek</td>
</tr>
<tr>
<td>5.</td>
<td>Council of Churches in Namibia</td>
<td>Windhoek</td>
</tr>
<tr>
<td>6.</td>
<td>Ombetja Yehinga</td>
<td>Windhoek</td>
</tr>
<tr>
<td>7.</td>
<td>Lifeline/Childline</td>
<td>Windhoek</td>
</tr>
<tr>
<td>8.</td>
<td>Positive Vibes</td>
<td>Windhoek</td>
</tr>
<tr>
<td>9.</td>
<td>Bridge of Hope</td>
<td>Windhoek</td>
</tr>
<tr>
<td>10.</td>
<td>CoHeNa</td>
<td>Windhoek</td>
</tr>
<tr>
<td>12.</td>
<td>Namibia Red Cross Society</td>
<td>Windhoek</td>
</tr>
<tr>
<td>13.</td>
<td>Society of Family Health</td>
<td>Windhoek</td>
</tr>
<tr>
<td>14.</td>
<td>Namibia Women Health Network</td>
<td>Windhoek</td>
</tr>
<tr>
<td>15.</td>
<td>Mothers Voice</td>
<td>Windhoek</td>
</tr>
<tr>
<td>16.</td>
<td>Solidarity Community Care Organisation</td>
<td>Windhoek</td>
</tr>
<tr>
<td>17.</td>
<td>Church Alliance for Orphans</td>
<td>Windhoek</td>
</tr>
<tr>
<td>18.</td>
<td>Development Aid from people to People</td>
<td>Windhoek</td>
</tr>
<tr>
<td>19.</td>
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APPENDIX D: LANGUAGE EDITING CERTIFICATE

Dr. GM
The Rev. Dr. Greenfield Mwikipesile
TAD, MBA, HBS | mwakipg@outlook.com

CONTACT
PO Box 40639,
Aussmannplatz,
Windhoek,
Namibia

LANGUAGE & COPY-EDITING CERTIFICATE

17th October 2018

RE: LANGUAGE, COPYEDITING AND PROOFREADING OF PHILEMON EPHRAIM’s
THESIS FOR THE MASTER OF BUSINESS ADMINISTRATION DEGREE OF THE NAMIBIA
BUSINESS SCHOOL OF THE UNIVERSITY OF NAMIBIA

This certificate serves to confirm that I copyedited and proofread
PHILEMON EPHRAIM’s Thesis for the MASTER OF BUSINESS ADMINISTRATION
DEGREE entitled: INVESTIGATING FACTORS AFFECTING THE FINANCIAL
SUSTAINABILITY OF CIVIL SOCIETY ORGANISATIONS IN NAMIBIA

I declare that I professionally copyedited and proofread the thesis and
removed mistakes and errors in spelling, grammar, and punctuation. In
some cases, I improved sentence construction without changing the content
provided by the student. I also removed some typographical errors from the
thesis and formatted the thesis so that it complies with the University of
Namibia’s guidelines.

I am a trained language and copy editor and have edited many
Postgraduate Diploma, Masters’ Thesis, Dissertations and Doctoral
Dissertations for students studying with universities in Namibia, Zimbabwe,
Swaziland, South Africa and abroad. I have also copy-edited company
documents for companies in the region and abroad.

Please feel free to contact me should the need arise.

Yours Sincerely,

The Rev. Dr. Greenfield Mwikipesile

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Zw wikaping
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Dr. Greenfield Mwikipesile