

Press Release
29 April 2004

Funding Challenges For International NGOs

New research has highlighted the growing concern among international NGOs over future funding for their work.

The research, carried out by CAF (Charities Aid Foundation) and BOND (British Overseas NGOs for Development), has identified increased competition and over-reliance on single sources of funding as some of the major threats to their income.

According to the study, 44% of NGOs claim to be reliant on the Department for International Development (DfID) for funding, leaving them vulnerable to changes in funding policy. This has included the perceived shift in the focus of funding from northern NGOs, to southern NGOs working on the ground in developing countries.

There was also felt to be a growing trend among funders to favour block contracts with larger northern NGOs, making it increasingly difficult for smaller NGOs to secure funding. In addition, funders are felt to be demanding levels of accountability that, for southern NGOs in particular, are beyond both their skills and resources.

But perhaps one of the deepest concerns voiced by NGOs is the belief that funders are now dictating the NGO agenda and targeting their funding in line with their own priorities – in areas of conflict such as Iraq.

According to Cathy Pharoah, Director of Research at CAF: “Globalisation, and an increasing interest among funders in the international arena, has led to a burgeoning of international NGOs. Some evidence suggests that half of these were set up as recently as the ‘90s and yet, with the funding environment changing so rapidly, many are already questioning their future sustainability.

“To survive the changing funding environment, NGOs must adapt. Relationships between northern and southern NGOs need to be strengthened – not only to build the skills and resources needed to secure funding, but to build the skills and resources needed to carry out their work effectively.”

These findings are part of a scoping survey for the international NGO sector which will be used by BOND to identify the most effective way forward for the future sustainability of funding for the international NGO sector.

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