

An Assessment Of The Challenges Faced By Local NGOs In Malawi In Securing Funding Opportunities: A Case Study Of NGOs In Lilongwe

Emily Chifundo Namakhwa

Student, MBA General, Institute Of Distance Education, University Of Zambia

Abstract:

Non-Governmental Organizations (NGOs) play a critical role in fostering social, economic, and environmental development in Malawi. They work in various sectors, including health, education, environment, and human rights, often supplementing government efforts. Recently, there has been a rapid growth of the NGOs in Malawi, their nature as NGOs require them to source funding for their operations. For the Organizations to operate properly, resources are essential, there is need for resources including human capital and funds and many of the local NGOs depend on government and donors for funding. The common factor is that many local NGOs are donor dependent, and their programming is hugely affected when donors do not provide funding.

Specifically, the study was conducted in Lilongwe which is the capital of Malawi due to its heterogenous population and high number of registered local NGOs. The study utilized a qualitative approach, using purposive sampling to identify NGOs operating in Lilongwe. The district has 399 registered NGOs and many are in health, education, agriculture, WASH, gender and youth development. Out of these 20 locally registered NGOs were picked from these main areas of intervention and representatives from the organizations were interviewed using a semi structured questionnaire. Key informant interviews were conducted with NGORA officials and USAID officials. The data was analyzed using thematic analysis, and it was discovered that Donor requirements and preferences, competition with international NGOs, Lack of capacity for the local NGOs, absence of good governance structures, inability to cast the nets wide in mobilizing resources, absence of NGO consortiums which boosts access to funding are some of the major challenges that local NGOs face in accessing funding. With these challenges, Local NGOs struggle to achieve their desired goals in bringing development closer to their communities and in some cases, they end up closing down or diverting to other calls which were far from their objectives.

Key Words: Non-governmental organization, challenges, Funding, capacity.

Date of Submission: 09-02-2026

Date of Acceptance: 19-02-2026

I. Introduction

Non-Governmental Organizations (NGOs) play a critical role in fostering social, economic, and environmental development in Malawi. They work in various sectors, including health, education, environment, and human rights, often supplementing government efforts. It remains a known fact that development requires the involvement of many stakeholders and local non-governmental organizations are one of the key stakeholders in the development of any country. For the Organizations to operate properly, resources are essential, there is need for resources including human capital and funds. Local NGOs are involved in channeling development activities and addressing the social needs of the rural communities, this is done in the areas of health, agriculture, education, human rights, gender, climate change and disaster management. It is noted that many local NGOs do not have multiple sources of income. These local organizations do not generate income from other avenues and are dependent on donor aid which has proven not to be sustainable. The survival of the NGOs is at risk if they only depend on donor aid especially with the slowing down of global economies and this therefore explains the low level of success from the NGO sector in Africa and Malawi. The local NGOs in Malawi, particularly in the capital city, Lilongwe, have not been spared of the funding challenges especially in securing sustainable funding opportunities.

II. Material And Methods

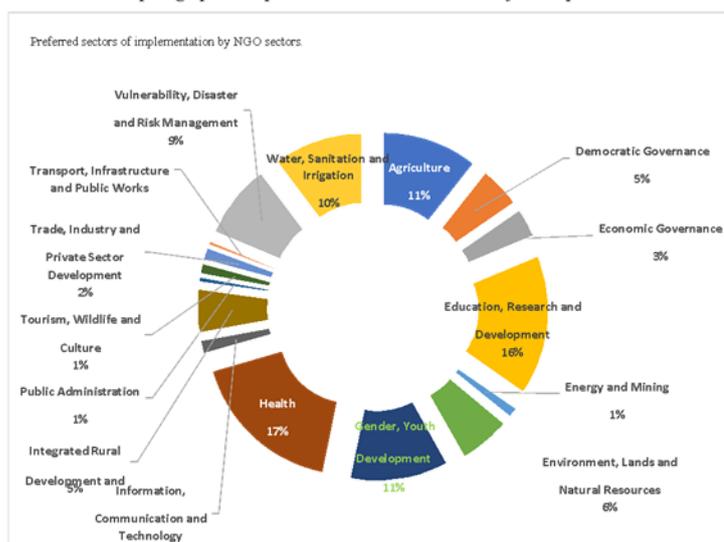
Research Design

The study here used a qualitative approach focusing on NGOs operating in Lilongwe. The research employed qualitative methods to gain a comprehensive understanding of the funding challenges faced by local NGOs and data was collected between November and December 2024.

Data Source/Participants

The study used the Nation NGO regulatory Authority database to pick local NGOs based in Lilongwe. It looked at the local NGOS that are operating in Lilongwe and categorized the database based on the sectors which the organizations operate from. The NGOs operating in the district are in the dominant areas of health, education, research and development, agriculture, vulnerability, disaster risk and management, wash and gender, youth development (<https://www.ngora.mw/reports/>, 2023). The report notes that there are over 120 NGOs in the health sector, 50 in the Education sector, 60 in Agriculture, 40 in disaster management, 35 in Gender and 40 in Water and Sanitation. As per the table below this is a representation on the distribution of NGOs per sector.

The NGORA report graphical representation on the distribution of NGOs per sector:



Sample Size

A sample size of 20 NGO’s participated in the study and sample was enough for saturation in all sectors being presented and they were derived from the major intervention components Health, Gender, education, Agriculture, Wash, disaster management and education. On the Donor agency, representatives from USAID were interviewed as Key Informants, these are from Grants Management, Acquisition and Assistance office, and Activity managers who gave information on what local NGOS are lacking which is a disqualification to access funding. This was done to ensure that the data being collected is holistic with highlights of both technical financial management.

Data Collection Methods

Being a qualitative method, the study used a structured questionnaire, key informant interviews and document review to collect data from respondents.

- Questionnaires: A structured questionnaire will be administered to NGO leaders and program officers to collect data on What are the major challenges local NGOs in Lilongwe face in securing funding.
- Key Informant Interviews: Interviews with the representatives from USAID grants management Teams, Acquisition teams and Activity Managers. USAID is one of the major donors responsible for funding many programs in Malawi.

Another Key informant interview with the NGO regulatory Authority (NGORA) officials, who gave an insight on what capacities the local NGOs in Lilongwe possess or lack that impact their ability to attract funding. USAID was picked because it is one of the major donor while NGORA is a government institution responsible for regulating NGOs in the country.

Document Review: This was used where relevant documents such as NGO reports, donor guidelines, and funding applications will be reviewed to complement the primary data especially on What strategies can be employed to enhance the funding prospects of local NGOs.

Data Analysis

The data was managed and analyzed according to the objectives

Objective	Data Management	Data Processing	Analysing
To Identify The Major Challenges That Hinder Local	Structured Questionnaire Was Administered To Ngo Leaders And Program Officers To Collect Data On	Electronic-Coding	Thematic Analysis

Ngos In Lilongwe From Securing Funding.	What Are The Major Challenges Local Ngos In Lilongwe Face In Securing Funding		
To Examine The Internal And External Capacities Of Local Ngos In Lilongwe To Attract And Manage Funding.	Key Informant Interviews With Donor Agency Team Members And Ngora Officials Were Conducted, And They Provided Qualitative Insights On What Capacities The Local Ngos In Lilongwe Possess Or Lack That Impact Their Ability To Attract Funding?	Coding	-Narrative Analysis -Thematic Analysis
Proposing Strategies That Could Improve Local Ngos' Access To Funding Opportunities	Relevant Documents Such As Ngo Reports, Donor Guidelines, And Funding Applications Were Reviewed To Complement The Primary Data Especially On What Strategies Can Be Employed To Enhance The Funding Prospects Of Local Ngos?		Content Analysis Thematic Analysis

III. Result

The study investigated the challenges that local NGO's face in securing funding a case study of Lilongwe Malawi. A total of 20 local NGOs participated, out of these respondents, 10 Opted to take an online question are which was developed on google form while the other 10 were available for a face-to-face interview within the city of Lilongwe.

Based on these interviews, the study focused on achieving three objectives which are:

- To identify the major challenges that hinder local NGOs in Lilongwe from securing funding.
- To examine the internal and external capacities of local NGOs in Lilongwe to attract and manage funding.
- To propose strategies that could improve local NGOs' access to funding opportunities

Out of the interviews conducted, the investigator has categorized four thematic areas namely:

- Funding Landscape in Malawi
- Major Challenges in Accessing Funding:
- Capacity and internal factors of Local NGOs:
- External factors affecting Funding for Local NGOS

Funding Landscape In Malawi

It has been revealed that many local NGOS in Malawi are donor dependent with a range of 80-100% dependence. The excerpts below provide an example of this scenario:

"We are-very insecure because we solely depend on donors and any delays and cuts affects our operations-in 2021, one of our major donors pulled out and as a result we suffered so much and other employees lost their jobs. Last year we also faced the same challenge when one donor shifted their strategic focus, and we were no longer relevant for funding"

The donor landscape is not promising with so many challenges that are making it volatile in the foreseeable future.

Donors are shifting their approaches, direct funding has been reduced, and they are now much into indirect funding. The pay direct to service providers-

-They also cite that with government policies, Inflation and devaluation of Kwacha (our local currency), their small grants are not making an impact-

-Donor fatigue, in the sense that local NGOs need to become more economically independent than dependent on donors.

-Domestic problems in the source countries such as America, where inflation is also hitting hard

USAID was of the view that local organizations must be proactive if they are to continue accessing funding and should find out what the donor is currently interested in.

"Strategic shifts may be there depending on what we want to focus on, however, we maintain that this should be the responsibility of the local organizations to adapt and make necessary changes, the challenge we face with any local NGOS is that they are not always flexible, and this leads to funding cuts."

IV. Major Challenges In Accessing Funding

It was revealed that there are several common challenges that local NGOs- face in accessing funding opportunities.

Donor Requirements and Preferences,

It has been revealed that many local NGOS fail to access funding due to donor preferences and requirements.

Donor demanding for -Audit Reports as a qualification to funding, our organization at the time did not have adequate resources to finance an External Audit. Secondly, the donor wanted Bank statements that suggest

the size of budget an organization can handle so with lack of funding mean you only qualify for small monies. They further require that we should be fully registered and have a well-established policy including internal control systems. They further demand to see if the organization has a board of directors who are qualified. This we find to be too much”.

Another respondent indicated:

“Processes that donor uses are not user friendly and therefore not accommodating They use a special system for us local NGOS to access on our own, we are instructed to bid and register in that system first before we know that there is funding call. There is limited information to that effect, and it takes long to complete. We tried to complete it at some point, and we failed which meant that we could not access funding each other.

Ignoring community needs and focusing on Donor imposed needs.

“Imposing on what and how it should be done we want you to do it like us theories. Donor dictation on what to do with resources, bring in expatriates and this increases the intervention risk. The-donors make us diversify on interventions to suit their needs. During the season of Cyclone Freddy in Malawi, we needed support for small shelter to relocate the victims, but the donors had funds for climate change interventions which was not necessarily our need at the time. There are so many restrictions that accompany the donor funding and micromanaging and bringing in human expatriates who bring in different perceptions different from Malawian perspective.”

This was also confirmed by Senior USAID officials;

*“The registration in Our USAID SAMS system is not an easy process and mainly locals shun. Some requirements are beyond local partner structure-which gives an advantage to international NGOS, we are also sometimes giving Restricted to our policies which disadvantages other **local** NGOS who are not well established and experienced and there are times when we are looking for NGOS who have Experience in implementing an activity in Southern Africa, this also is a barrier to the local NGO’s.”*

- Competition with International NGOS

Through this study, it has been revealed that the local NGOS compete with International NGOS in accessing funding.

“Competition with the international donors has been the greatest challenge. Being a local organization, we have slimmer chances when competing with big international organizations because of differences in project scopes, capabilities, workmanship, coverage and experience in general.”

Another Local NGO indicated the following:

Most of the donors do not have separate calls for proposals for local and international NGOs. Most of the funders rarely trust local NGOs unless they have worked with international organizations. This gives unfair advantage to international organizations. Besides, international organizations are well known and well connected with the donors that the local NGOs.

These international NGOs generally have larger budgets, a wider network of stakeholders, and more experience and adequate expertise, something which makes it easier to be noticed by major donors. However, we cannot compete on a level ground, making it impossible to access donor funding.

The donor community on their part did indicate as follows:

INGOS have things in place and therefore ready for funding, they are more established and able to compete, they have established policies, internal control systems, audited reports, and may sometimes have startup funds for activities before we release the initial funding. This is not the

Capacity and internal factors of Local NGOs

On Capacity and internal factors, these are the challenges

Proposal Writing/Resource mobilization.

The study revealed that while other local organizations have this skill, others do not have.

We have a team of 3 who dedicate their time and resources to resource mobilization, writing grant proposals, initiating and organizing fundraising activities. With the availability of the team, we have seen improvement especially in terms of feedback from donors. However, none of the team members have academic qualifications in the field, but just through experience and mentorship from well-wishers.

NGORA indicates that many local NGOS lack this skill and rely on the founder who is usually the Executive Director to write proposals.

“Inadequate organizational capacity has resulted in failure of the NGOs to be trusted with funds by donors as well as failure to write winning proposals. In the long run the NGOs are operating without funds.”

“Few have resource mobilization and fundraising departments. Most of the NGOs rely on the Executive Director to be performing the resource mobilization duties and writing proposals and this has not been helpful.”

Financial Management skills

This study has also revealed that local organizations do not have financial management skills which will help them earn trust from the donors. Few NGOs were confident while others lamented of the many adjustments that donors demand:

“Lack of system security especially financial management. Our organization does not have an accounting package which can be used to record income and expenses. All is done in an excel worksheet and accounts personnel use their personal laptops to keep this data. There is little or no backup. If the laptop is lost, then the data is lost too. I think this makes it a governance challenge. There is need for more capacity building.”

This was further echoed by USAID officials who lamented lack of financial management, accountability and transparency by NGOS.

“Lack of financial management systems is common among many local NGO’s, they use unsecured technology, they don’t have accounting packages and use MS excel to record their transactions, their systems and not secured and data is easily lost.

There is also too much power in the one who founded the organizations and are difficult to control or manage, when finance personnel advise them on internal controls, they are not corporative, some keep Organizational checkbooks in their drawers, and can only approve items at will. This founder syndrome also kills trust.”

Another respondent indicated the lack of formation of consortiums as being another sign of poor strategic planning skills which affect their funding opportunities.

Local NGOs consortiums are needed to have this work, and reduce overdependence on Donors, if we Join other well established local NGOs to work as a consortium and networks when applying for funding it will increase the opportunity for funding, but we lack this strategic thinking

It is believed that where local NGOs have worked as a consortium, there is joint effort of skill and expertise, they team up well in their area of focus.

Lack of Marketing and Publicity Skills

Many NGOS are not able to communicate on who they are, what they do, and where they are implementing their activities in.

“We need More technology-based publicity and marketing skills, to inform the public of who we are and what we do. We can lament that donors do not know us, but we need to also notice that we have not done much to be known by donors. If we market ourselves and publicize on our work, we can boost the corporate image. and investment in more resource mobilization”.

-Governance

One of the issues that are internally affecting local NGOS is the issue of Governance. Locally, NGOS are supposed to register with the NGO board, CONGOMA and then be regulated by the NGORA. Operational board of directors which guides the operations of the organizations, is also one of the requirements from the NGORA and donors.

“Of late many donors strictly fund registered NGOs that fulfill reporting obligations to NGORA, as outlined in the NGO Act (Principal Act of 2001 and Amendment of 2022)”

Currently, NGORA provides training to individual NGOs on good governance as part of addressing the issue of poor governance structures, yet we see many local organizations not taking part.

External factors affecting Funding for Local NGOS

Not only are local NGOS affected by their internal factors, but here are also external factors that influence the funding landscape.

Government or Political Influence

It has been discovered through the study that local organizations feel stigmatized if they are not in a good working relationship with the government of the day as per below excerpt:

“We partnered well with Malawi government and as such, we are well connected with partners and donors. Govt recommends our organization to partners and donors. We make sure to maintain the relationship with those that are in decision making positions”

On the Contrary, another Local NGO indicated as follows:

“As NGOs we still need government connections to survive. We see colleagues in our sector who are well connected in government enjoying benefits, they get links with donors and easily funded. Ours is a youth organization and funding has been a challenge, yet our counterparts have multiple streams of funding because they are being indirectly assisted.”

The sentiments were echoed by the NGO regulatory authorities who indicated that those NGOs who are politically affiliated tend to enjoy favors than those who are not.

“Most of the NGOs behave in such a way that they are favored by the ruling government and are easily linked to donors in order to support and promote their interests through beneficiaries towards their course”

-Competition among NGOS

The NGO sector is one of the sectors which is flooded. The NGORA report indicates that there are 369 local NGOs operating in Lilongwe.

“As local NGOS we compete amongst ourselves instead of working together for a common goal.

It is obvious that we are, many and all, fighting for a common resource and Donor communities prefer working with those that are experienced, well established or have been operating for several years. If we miss such a target, then we give a chance to another local NGO”

V. Discussion

Funding Landscape

The study discovered that the funding landscape in Malawi is donor dependent, and the implementation of activities is donor driven, therefore recipients struggle to get funding for their ideas because donors drive what should be done. Donors shape or change of strategic focus affects funding streams of local organizations and other NGOS have been forced to shift their focus to access funding.

Resource Mobilization Strategy

The results showed that many local NGOS lack resource mobilization strategy in such a way that they do not have resource mobilization team and lack the proposal writing skill. Besides, the local organizations accepted that they do not have adequate resources to have a specific team within their organizations to mastermind the resource mobilization. On the other hand, other local organizations acknowledged to have an operational resource mobilization team who are also helping the organization in casting the net wide to access funding opportunities.

Donor Preferences and Requirements

This was discovered to be one of the major or common challenges that the local NGOS face in securing funding where donors have their own preferences and requirements before they release funding. Donors create stiff competition for local NGO's when they restrict funding to sectors and segments, sometimes they have a budget which is too high and cannot be easily consumed/burnt by a local NGO.

Competition with INGOS

This was discovered as another major challenge for the local NGOS. For as long as resources are limited, competition is inevitable. The results are clear that the local NGOs and International NGOs compete for the same resources and in many areas, International NGO's have an upper hand due to their expertise and easily accessed resources.

Capacity Building & Financial Management Skills

When there is a capacity deficiency, donors would be reluctant to provide funding as has been revealed in this study. The need to have well capacitated personnel in local NGOs cannot be over emphasized because it is the hub of the organization's efficiency. It should be noted that financial prudence is not just a donor requirement, but a workable system which makes an organization earn public trust and ensures the concern of an organization.

Absence of Strategic Planning & poor Publicity and Marketing Skills

The results indicate that local Organizations work haphazardly without a strategic plan. As local NGOs, they do not strategize and make proper situation analysis to identify the existing gaps which can help them to access funding easily. Additionally, Local NGOs were found not to be marketing oriented, and most of their work was not publicized.

Governance

The study discovered that issues of governance were common among local NGOs who were failing to access funding. Recommendations on this segment apply to the local NGOs, the NGO regulatory Authority and the Donor community.

Local Consortiums

The study revealed that most local NGOs work isolation and compete against each other. This is another challenge that the local NGOs face. Local NGOs work in isolation, and this limits their access to funding. In Malawi Consortiums like Titukulane which received funding from USAID was implemented in 2021 and has seen over five local NGO's working together and easily accesses funding.

Malawi Government and NGORA Role

Several Challenges that the local NGOS face, could be curbed by the involvement of Malawi Government. The role of government is to ensure a safety and good working environment for all stakeholders regardless of their political affiliations.

VI. Conclusion

It is paramount to note that the continuity of every organization is in the availability of resources. Future research could be done on how best local NGOs can boost their capacity and be donor independent. With adequate funding, future studies can also assess if the challenges that local NGOS face can be compared with the challenges that the international NGOS face in accessing funding without making assumptions that INGO's do not face challenges. The study was limited to the 20 Local organizations in Lilongwe only and future research can be done on many local NGOs operating in Malawi and how their access to funding is challenged. Additionally, the study did not investigate the extent of how local NGOs are affected by Donor freeze. There is need to investigate further on how donor freeze, or absence of donor funding can affect the performance of local Organizations especially Now that USAID is gone.

References

- [1]. Zakaria A, Nurliana Z.Z. (2020). Alternative-Based Funding Model And Resource Dependency Theory: Perspectives Of Malaysian Non-Government Organisations. *Malaysian Journal Of Consumer And Family Economics*,123-136.
- [2]. Bromideh , A. (2011). The Widespread Challenges Of Ngos In Developing Countries:Case Studies From Iran. *International NGO Journal*, 197-202.
- [3]. Fole , W. S., Lixia , T., & Guta, T. (2018). Sink Or Swim? Survival Mechanisms Employed By Local Non-Governmental Organisations In Malawi: A Case From The Agricultural Sector. *Developing Country Studies*, 73-84.
- [4]. Lilongwe District Council. (2017). *Social Economic Profile- Lilongwe District*, Lilongwe.
- [5]. Adan, M. J. (2015). The Impact Of Competition Between Local Ngos In Somalia.
- [6]. Batti, R. C. (2014). Challenges Facing Local Ngos In Resource Mobilization. *Humanities And Social Sciences*, 57-64.
- [7]. Bougheas, S. P., Isopi, A., & Owens, T. (2022). *Ngos And Donors' Funding: Evidence From Uganda*. University Of Nottingham.
- [8]. Brass, J. N., Longhofer, W., Robinson, R. S., & Schnable, A. (2018). Ngos And International Development: A Review Of Thirty Five Years Of Scholarship. *World Development*, 136-149.
- [9]. CONGOMA. (2023). Retrieved From <https://www.congoma.mw>
- [10]. Delke, V. (2015). The Resource Dependence Theory: Assessment And Evaluation As A Contributing Theory For Supply Management. *Faculty Of Management And Governance*.
- [11]. Enyioko, C. (2012). Role Of Non-Governmental Organizations In Rural Development:A Study Of The Six Listed Ngos. Retrieved From <http://ssrn.com/abstract=2178989>
- [12]. Fowler, A. (1997). *Striking A Balance:A Guide To Enhancing The Effectiveness Of Non-Governmental Organizations In International Development*. Earthscan.
- [13]. German, D. (2009). From An Idea Top A Sustainable Organization: Getting A Grassroots CBO Off The Ground. 13-24.
- [14]. Hammond, L. A. (2011). *Cash And Compassion: The Role Of The Somali Diaspora In Relief, Development And Peace-Building*. UNDP.
- [15]. <https://www.ngora.mw/reports/>. (2023). 2023 Sector Report. Lilongwe: NGO Regulatory Authority.
- [16]. Kabonga I- NGO And Poverty Reductionin Zimbabwe: Challenges An The Way Forward. *SN Soc Sci*.2023:3 (6):90.
- [17]. Kanji, L. D., & Themundo, N. S. (2020). *Non Governmental Organizations And Development*. New York: Routledge.
- [18]. Kermani, F., & Reandi, S. T. (2023). Exploring The Funding Challenges Faced By Small Ngos: Perspectives From An Organization With Practical Experience Of Working In Rural Malawi. . *Research And Reports In Tropical Medicine*, 99-110.
- [19]. Lewis, D. (2010). *Non-Governmental Organizations,Management And Development*. Routledge.
- [20]. Lewis, D., & Kanji, N. (2009). *Non-Governmental Organisations And Development*. Routledge: Taylor And Francis.
- [21]. *Malawi Non-Governmental Organizations Act*. (2014). Lilongwe: Ngos Act.
- [22]. Nichtstaatliche Akteure. (2023, November). Lilongwe.Diplo.De. Retrieved From <https://Lilongwe.Diplo.De/Mw-En/Germany-And-Malawi>
- [23]. Pfeffer, J., & Salancik, G. R. (1978). *The External Control Of Organizations: A Resource Dependence Perspectives*. Harper & Row.
- [24]. Press.Un.Org. (2024). <https://press.un.org/en/non-governmental-organizations>. Retrieved From Press.Un.Org: <https://press.un.org/en/non-governmental-organizations>
- [25]. Rachmat, C. (2023). *Challenges In Modern Learning*.
- [26]. Sally Levery. (2008). *Www.Apa.Org*. Retrieved From <https://www.apa.org/international/united-nations/publications>: <https://www.apa.org/international/united-nations/publications>

- [27]. Schiampo-Campo , S., & Sandaram, P. (2001). To Serve And To Preserve: Improving Public Administration In A Competitive World. Manilla: Asian Development Bank.
- [28]. Simon, D. (2004). "Recent Trends In Development Theory And Policy: Implication Fordemocratization And Government" Governance-Nigeria And The World. Ikeja: CENCOD.
- [29]. Tamene, E. H. (2016). Theorizing Conceptual Framework. Asian Journal Of Educational Research, 50-56.
- [30]. Thomas, A. (2000). 'Development As Practice In A Liberal Capitalist World. Journal Of International Development, 773-787.
- [31]. Union Of International Associations. (2023). Retrieved From [Https://Uia.Org/](https://uia.org/)