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Financial sustainability in non-governmental organizations: A case study of community action for health

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Abstract
This study examines the determinants of financial sustainability in non-governmental organizations (NGOs) operating in resource-constrained environments, using evidence from Uganda's healthcare sector. We analyze Community Action for Health (CAfH), an NGO delivering essential health services in the Karamoja region, to identify factors affecting long-term financial viability. Using a mixed-methods approach combining surveys, interviews, and financial data analysis (N=200), we find that excessive donor dependency, limited revenue diversification, and weak organizational capacity significantly impact financial sustainability. Our results show that 60% of operational funding comes from a single donor, creating substantial organizational vulnerability. We demonstrate that resource mobilization effectiveness is constrained by inadequate leadership skills (75% of staff lack financial management expertise) and limited community economic capacity (90% of beneficiaries unable to provide financial support). The study contributes to the literature on NGO financial sustainability by providing empirical evidence from a developing country context and proposing a framework for assessing and improving financial resilience in donor-dependent organizations. Our findings have important implications for NGO management, donor strategies, and policy development in the Global South.

Keyword: NGO sustainability, resource mobilization, community health, donor dependency, organizational capacity

1. Introduction

1.1 Background to the Study

A Non-Governmental Organization (NGO) is an independent institution that is not for profit operating outside government control (Martens, 2002; *Gaspar et al.*, 2022) [37, 27]. They are characterized as organizations that provide services and/or functions of a social or humanitarian nature and are nonprofit and independent of governments or states, playing major roles in international aid, development, and philanthropy. In this sense, they do not share profits among members, but use them to promote their goals (Galkina and Yang 2020, Gaspar *et al.* 2022) [26, 27]. Unlike international organizations (IOs), which directly interact with sovereign states and governments, NGOs are independent from them (Barkin 2006, Abbott *et al.* 2010) [5, 1].

NGOs act as implementers, catalysts, and partners to provide essential goods and services to those in need (Ulleberg 2009) [48]. The NGOs a deep understanding of the issues facing people and to tailor their services to meet the specific needs of each community due to their strength at working at grassroots level and in partnerships with other organizations and governments at various levels (Banks and Hulme 2012) [4].

They mobilize resources (financial and human) to support their objectives (Batti 2014) [8]. However, unlike public or government institutions NGOs face challenges in financial sustainability. Financial sustainability for NGOs is the ability to maintain the resources needed to continue their mission over time (Mikeladze, A., 2021) [38]. This includes being able to generate revenue, control expenses, and manage risk. One of such NGOs is Community Action for Health (CAfH). CAfH is a non-governmental organization based in Uganda, focused on improving nutrition, health, and food security in vulnerable communities, particularly in the Karamoja region.

Established in 2009 by specialists in food science and journalism, CAfH operates in the districts of Kotido, Abim, and Kaabong, which are severely affected by malnutrition, drought, food insecurity, and related health issues. The organization's mission centers around addressing the region's high rates of malnutrition, particularly among children and the elderly, exacerbated by factors like food price volatility, animal diseases, and insecurity.

CAfH’s operational model heavily relies on financial support from the World Food Programme (WFP), which covers about 60% of the organization's operational costs through a renewable memorandum of understanding. This partnership provides vital food aid and supports community-based health interventions, including nutrition screening and treatment in collaboration with district health offices, health center staff, and village health teams (VHTs). Despite this, CAfH’s heavy reliance on WFP funding raises concerns about the long-term financial sustainability of its programs.

1.2 Problem Statement

CAfH's dependency on WFP for the majority of its financial support presents significant risks to its sustainability. While WFP funding covers essential operational costs such as staff salaries, food distribution, and equipment maintenance, it remains insufficient to address the growing needs of the target communities. Furthermore, challenges like high staff turnover, insufficient support for volunteers, and the inability to repair or replace vital equipment hinder the organization’s ability to provide continuous support. These constraints contribute to persistently high child and maternal mortality rates in the region.

The organization’s financial vulnerability is primarily due to its dependence on a single donor, the WFP, which could withdraw or reduce funding at any time. This study aims to explore the factors hindering CAfH's financial sustainability and to propose resource mobilization strategies that could diversify its funding base, ensuring long-term organizational viability.

1.3 Research Objectives

The primary objectives of this study are to:-

1. Identify factors hindering CAfH's financial sustainability.
2. Evaluate current resource mobilization strategies employed by the organization.
3. Assess the capacity of CAfH’s leadership in financial management and resource mobilization.
4. Propose strategies to diversify funding sources and improve long-term financial stability.

1.4 Research Questions

The central research question guiding this study is:-

How can CAfH leadership effectively mobilize resources to achieve organizational financial sustainability? The Supporting sub-questions include:

1. What revenue sources is CAfH currently utilizing to support its operations?
2. How well-equipped is CAfH leadership to mobilize resources for sustaining its community health programs?
3. What resource mobilization strategies is CAfH employing to raise funds and diversify its financial support?
4. What challenges do CAfH beneficiaries face that hinder effective resource mobilization and program sustainability?

1.5 Significance of the study

This study contributes to the growing body of literature on financial sustainability in Non-Governmental Organizations (NGOs), especially within sub-Saharan Africa. By focusing on CAfH, a grassroots organization in Uganda, the research provides insights into the specific challenges faced by NGOs operating in resource-constrained environments. The findings will help inform strategies for improving the financial sustainability of CAfH and similar organizations, ensuring their ability to continue providing essential services to vulnerable communities. Additionally, the study offers policy recommendations for NGO leadership and donors to foster financial independence and resilience in such organizations.

1.6 Scope of the study

The study examines the financial sustainability challenges faced by CAfH, with a particular focus on its dependency on WFP funding. It explores the internal and external factors that influence the organization's resource mobilization efforts, including the leadership’s capacity for financial management and the economic context of the Karamoja region. The study involves interviews with key stakeholders, including CAfH leadership, staff, volunteers, and community beneficiaries, as well as an analysis of organizational documents and financial records.

1.7 Literature Review

NGOs in developing countries, particularly those that rely heavily on external funding, often face significant financial sustainability challenges. Previous studies have highlighted that NGOs in sub-Saharan Africa are vulnerable to funding volatility, donor dependency, and limited access to diverse revenue sources (Despard, et al. 2017, Arsenio, 2018, Shava E, 2021) [17, 3, 43]. Effective resource mobilization, the diversification of funding sources, and the establishment of strong partnerships are essential strategies for achieving financial sustainability (Viravaidya and Hayssen 2001, Batti 2014, Omeri 2014, Khieng and Dahles 2015, Chumba 2023, Indangasi 2023) [53, 8, 39, 34, 15, 32] However, research on the specific challenges faced by community-based organizations in high-risk, low-resource settings such as Karamoja remains limited. This study seeks to fill this gap by examining the factors that hinder financial sustainability in a local NGO context. By focusing on CAfH, the research aims to provide practical insights and solutions to improve the financial independence and long-term viability of similar organizations in resource-constrained environments.

2. Methodology

2.1 Research Design

A cross-sectional research design was employed, using a mixed methods approach that integrated both qualitative and quantitative data collection. This approach was chosen to provide a comprehensive understanding of CAfH’s financial sustainability challenges. A mixed methods design enables the researcher to gather rich, qualitative data while also quantifying aspects of the research, providing a more holistic view of the issue at hand (Creswell, 2014) [16, 21]. The combination of both methods also helps in triangulating data, thereby increasing the validity and reliability of the findings (Fetters *et al.*, 2013) [21]. The cross-sectional design is ideal for capturing a snapshot of the current financial sustainability challenges faced by CAfH, as it collects data from various stakeholders at a single point in time (Bryman, 2016) [12].

2.2 Sampling Procedures

- **CAfH Staff:** Universal sampling was used for all 20 CAfH staff members, as the staff size was relatively small. Universal sampling, where every individual in the population is selected, is appropriate when the population is small and easily accessible (Etikan, *et al.*, 2016) [20]. In this case, it allowed for the inclusion of all relevant staff members, ensuring comprehensive input from those directly involved in CAfH's operations.
- **District Health Workers:** Purposive and convenience sampling methods were applied to select 90 district health workers from the districts of Abim, Kotido, and Kaabong. Purposive sampling is often used when the researcher wants to select specific individuals based on their characteristics, knowledge, or experience that are relevant to the study (Palinkas, *et al.*, 2015) [40]. Convenience sampling was also used to select district health workers from areas where access was easier, which is a practical approach when time and resources are limited (Etikan, *et al.*, 2016) [20].
- **Village Health Teams:** Simple random sampling was used to select 90 members from a pool of 1,249 Village Health Team members. Simple random sampling ensures that every individual in the population has an equal chance of being selected, minimizing selection bias and increasing the generalizability of the results (Kothari, 2004) [35].

2.3 Data Collection Methods

Data were collected through surveys administered to CAfH staff and district health workers, which included both closed and open-ended questions. This approach allowed for the collection of both quantitative data (from closed-ended questions) and qualitative data (from open-ended questions). Mixed data collection methods are useful in providing a deeper understanding of research questions by combining numerical evidence with more nuanced insights (Creswell, 2014) [16, 21]. Additionally, oral surveys were conducted with Village Health Teams, allowing for in-depth face-to-face interviews. Oral surveys are particularly useful when literacy levels are low or when the target group is more comfortable with verbal communication (Kumar, 2011) [36]. Pre-testing of survey instruments was carried out to ensure their validity and reliability, with adjustments made based on feedback. Pre-testing is essential for refining the survey instruments and improving the overall quality of data collected (Fink, 2013) [23].

2.4 Data Analysis

Data were analyzed using descriptive statistics for closed-ended responses and thematic analysis for open-ended responses. Descriptive statistics provide a simple summary of the data and help in understanding patterns, trends, and relationships in quantitative data (Field, 2013). Thematic analysis was used for open-ended responses to identify recurring themes and patterns, which is a flexible and widely used method for analyzing qualitative data (Braun & Clarke, 2006) [11]. The data were pre-coded for closed-ended questions and post-coded for open-ended responses. This approach helped organize and categorize the data, making it easier to interpret and draw conclusions (Fetters, *et al.*, 2013) [21]

2.5 Ethical Considerations

Ethical approval for the study was obtained, and participation was voluntary. Informed consent was obtained from all respondents, and confidentiality was ensured. Ethical considerations are crucial in ensuring that participants' rights are respected and that the study is conducted with integrity (Israel & Hay, 2006) [33]. Participants had the right to withdraw from the study at any time, ensuring that their participation was voluntary and without coercion. The principles of informed consent and confidentiality are essential in maintaining the ethical integrity of research involving human subjects (Haverkamp, 2005) [30].

3. Results

The results present a synthesis of findings from the study, which aims to answer key research questions regarding the resource mobilization strategies, organizational capacity, and challenges faced by Community Action for Health (CAfH). The analysis incorporates perspectives from CAfH staff, district health workers, and village health teams (VHTs) in order to understand the revenue generation sources, staff competencies, and barriers to financial sustainability.

3.1 Revenue Generation Sources

3.1.1 CAfH staff perspectives on revenue generation

Analysis of CAfH's revenue sources indicates a significant reliance on World Food Programme (WFP) funding, which covers approximately 60% of operational costs. However, several revenue-generating opportunities remain underutilized. Key findings based on staff perspectives include:

- **Consultancy Services:** 75% of staff indicated that CAfH does not utilize consultancy services, despite local demand.
- **Formal Trainings:** 60% disagreed that CAfH offers formal training programs to locals, a potential income stream that remains untapped.
- **Technological Assistance:** All staff (100%) disagreed that CAfH provides technological training or support, such as IT or solar energy programs.
- **Membership Fees:** 65% of respondents reported that CAfH does not collect membership fees from beneficiaries, a missed opportunity for revenue generation.
- **Political Donations and Business Partnerships:** 70% disagreed that CAfH taps into political donations or partners with businesses, which are common strategies for community organizations in Uganda.

Despite these challenges, staff identified selling the organization's history and proposal writing as potential strategies to generate resources.

3.1.2 District Health Workers' Perspectives

District health workers, who are integral to the success of CAfH programs, provided insights into possible alternative funding strategies:

1. **Selling Organizational History:** All district health workers (100%) agreed that publishing CAfH's history could attract support from community stakeholders.
2. **Volunteer Recruitment:** 100% agreed that recruiting volunteers is a viable strategy for resource generation, especially in rural areas.
3. **Lack of Engagement with Other Donors:** A majority (100%) agreed that district health workers are not engaging with additional donors, highlighting reliance on WFP funding.
4. **Event Organization:** Similarly, all respondents disagreed with the notion of organizing fundraising events or seeking donations from business companies, demonstrating missed opportunities for resource mobilization.

3.1.3 Summary of revenue generation findings

CAfH is heavily dependent on WFP funding, with limited exploration of alternative income streams. Staff and district health workers alike recognize the importance of strategies such as selling the organization's history, volunteer engagement, and proposal writing. However, methods like consultancy, training programs, and corporate partnerships remain underutilized, putting the organization's long-term sustainability at risk.

3.2 Organizational Capacity and Competence

3.2.1 Staff Competencies

An assessment of CAfH staff revealed significant gaps in key competencies necessary for resource mobilization:

1. **Community Mobilization:** 60% of staff reported strong abilities in community mobilization, an important skill for engaging local populations in resource generation.
2. **Financial Management:** 75% of staff lacked skills in financial management, which is crucial for effectively managing donor funds and sustaining operations.
3. **External Relations:** 65% reported minimal or no ability in external relations and partnership-building, limiting CAfH's capacity to secure additional funding.
4. **Staff Motivation and Retention:** 90% of staff indicated that staff motivation and retention is a challenge, which impacts the organization's ability to maintain a strong and stable workforce.

District Health Workers' Competencies

District health workers also displayed gaps in key areas relevant to resource mobilization:

- **Proposal Writing and Fundraising:** 93% of district health workers lacked skills in proposal writing and fundraising, hindering their ability to raise additional resources.
- **Business Planning:** 100% of district health workers had no experience in business or strategic planning, limiting their ability to develop sustainable income-generating initiatives.
- These competency gaps highlight the need for staff development in financial and strategic management to improve resource mobilization efforts.

3.3 Summary of organizational capacity findings

The findings reveal that CAfH staff demonstrate strong community mobilization skills, but key areas like financial management, external relations, and staff retention remain weak. Similarly, district health workers have potential in public health but lack essential skills like proposal writing, business planning, and financial management. These gaps significantly undermine the organization's ability to sustain its programs in the long term.

4 Resource Mobilization Strategies

4.1 Current strategies in use

CAfH currently relies on several resource mobilization strategies, though many of these have limited impact:

- **Newsletters:** CAfH uses newsletters to share organizational updates, though low literacy levels in the region may limit the effectiveness of this strategy.
- **Community-Based Activities:** CAfH engages in community driven activities such as farming and livestock management, which support resource generation.
- **Volunteer Engagement:** Volunteers help reduce operational costs, although contracted expertise still requires funding.

4.2 Underutilized Strategies

Several resource mobilization strategies have not been explored by CAfH, including:

1. **Radio/TV Advertising:** These platforms could help CAfH raise awareness and attract donations but require substantial financial investments.
2. **Corporate Partnerships:** Despite the potential for partnerships with businesses, CAfH does not actively pursue this avenue.
3. **Grants and Fundraising Events:** CAfH does not develop local grant proposals or organize fundraising events, both of which could supplement the organization's funding.

4.3 Summary of Resource Mobilization Findings

While CAfH has made progress in some areas, such as newsletters and community activities, it has yet to fully embrace modern strategies such as digital marketing, corporate partnerships, and grant writing. The underutilization of these strategies hampers the organization's ability to secure diverse funding sources and achieve long-term financial sustainability.

4.4 Beneficiary Challenges

4.4.1 Key Challenges in Resource Mobilization

CAfH beneficiaries, particularly members of village health teams (VHTs), face several challenges that hinder their ability to contribute to the organization's resource mobilization efforts:

1. **Business Management Challenges:** VHT members struggle with market price fluctuations, exploitative

business practices, and lack of record-keeping skills, making it difficult for them to generate surplus income.
2. **Community and Environmental Factors:** Environmental degradation, unpredictable weather conditions, and theft drain household resources, reducing the financial support available to CAfH.
3. **Household-related Issues:** Ill health and the need for medical treatment consume household savings, while providing for children's education and basic needs further limit the financial contributions to CAfH.

4.4.2 Impact of CAfH Programs
Despite these challenges, CAfH programs have had a positive impact on the community, with high satisfaction rates among beneficiaries regarding nutritional therapy, health screening, and medical treatment.

4.4.3 Motivational Challenges
A significant portion of VHT members expressed dissatisfaction with how CAfH leadership addresses their personal needs, such as inadequate food handouts and irregular provision of supplies. This has led to low motivation to support the program financially.

4.4.4 Summary of Beneficiary Challenges
Beneficiaries face significant financial, social, and health-related challenges that limit their ability to contribute to CAfH's resource mobilization efforts. The lack of involvement in organizational planning and budgeting also reduces their commitment to the program's long-term sustainability.

5 Conclusion
The findings indicate that CAfH is facing numerous challenges in resource mobilization, including underutilized revenue streams, competency gaps among staff, and financial difficulties faced by beneficiaries. While community mobilization efforts are strong, the organization needs to diversify its funding strategies, improve staff competencies in financial management and proposal writing, and better engage beneficiaries in planning and budgeting processes. Addressing these challenges will be crucial for ensuring the long-term sustainability of CAfH's community programs.

6. Discussion and Conclusions
This section discusses the financial sustainability challenges faced by Community Action for Health (CAfH), focusing on the organization's revenue generation, leadership capacity, and socio-economic constraints among its beneficiaries. The findings highlight the underlying issues hindering CAfH's ability to achieve long-term financial stability and the strategies needed to address them.

6.1 Revenue Generation Challenges
Community Action for Health (CAfH) relies on a few primary revenue sources to sustain its operations. These include the sale of organizational history, proposal submissions to the World Food Program (WFP), and volunteer services, particularly through village health teams and district health workers. While these revenue sources are crucial for the organization's financial operation, their effectiveness is limited due to various factors that impact their sustainability and growth potential.

Sale of Organizational History
The first revenue stream, the sale of CAfH's organizational history, is unlikely to generate substantial income, especially in regions with low literacy rates, such as Karamoja. The challenge of reaching a literate and engaged audience capable of purchasing and valuing such historical content cannot be underestimated. Research indicates that literacy rates in Karamoja are relatively low, which restricts the pool of potential buyers for such a product. According to data from Uganda's National Population and Housing Census, literacy rates in the Karamoja sub-region are significantly below national averages (Uganda Bureau of Statistics, 2014) [47]. As a result, the market for organizational history an intellectual product-remains limited, further hindering its potential as a viable revenue stream.

Dependence on WFP Funding
The second major source of funding for CAfH is its reliance on the World Food Program (WFP) for financial support. While WFP funding provides essential resources, this dependence poses significant risks to CAfH's long-term financial sustainability. As with most external donor funding, WFP contributions are subject to withdrawal or reduction due to changes in donor priorities, shifts in global financial trends, or political factors (UN WFP, 2021). The literature on nonprofit sustainability emphasizes the importance of diversifying funding sources to reduce dependence on single donors, as relying too heavily on any one source increases vulnerability to financial instability (Ebrahim & Rangan, 2014) [19]. The limited diversification of CAfH's revenue sources leaves the organization exposed to such risks, potentially jeopardizing its ability to maintain operations in the absence of WFP funding.

Volunteer Services and Challenges
CAfH also benefits from volunteer services, including the engagement of village health teams and district health workers. While these volunteers provide essential support to the organization, their effectiveness is undermined by a lack of motivation and insufficient facilitation. Studies on volunteerism in non-profit organizations highlight that volunteers are often most effective when they receive adequate training, compensation, and organizational support (Wilson, 2012) [55]. In the case of CAfH, insufficient facilitation and a lack of tangible incentives for volunteers may lead to disengagement, resulting in decreased productivity and limited contributions to the organization's goals. Moreover, the recruitment of volunteers without addressing these underlying issues may contribute to a high turnover rate, further compounding the challenges faced by the organization.

The need for revenue diversification
The failure to diversify revenue sources is a critical issue for CAfH. Organizations that depend on a single or few funding sources are more vulnerable to financial disruptions (Barman, 2016) [6]. CAfH's reliance on WFP and volunteer services, coupled with the limited potential of selling

organizational history, underscores the necessity of diversifying funding streams. Diversification can mitigate the risks associated with external funding dependency and provide a more stable financial foundation. Nonprofits are increasingly adopting innovative revenue generation strategies, such as crowdfunding, partnerships with local businesses, and income-generating programs, to broaden their funding base (c). By adopting such strategies, CAfH could reduce its vulnerability to funding shortages and enhance its financial resilience.

The primary revenue sources of CAfH sale of organizational history, WFP funding, and volunteer services-face significant limitations. The low literacy rates in Karamoja hinder the sale of organizational history, WFP funding is susceptible to external changes, and volunteer services suffer from a lack of motivation and facilitation. To ensure long-term sustainability, CAfH must explore alternative and diversified revenue streams, build stronger volunteer support systems, and seek funding beyond its current reliance on a single donor.

6.2 Organizational Capacity and Leadership

The findings highlight significant challenges in Community Action for Health's (CAfH) ability to harness its leadership skills, particularly in resource mobilization. Despite having staff with diverse leadership competencies, the organization struggles to translate these talents into effective fundraising and sustainable financial strategies. One of the key challenges identified is the underdevelopment of leadership skills among district health workers, which limits CAfH's ability to effectively strategize and mobilize resources. The lack of robust resource mobilization strategies further exacerbates the organization's financial sustainability issues.

Leadership skills and their impact on resource mobilization

A central observation is that while CAfH has staff with varied leadership skills, these talents are not fully utilized, particularly in the area of resource mobilization. The limited development of leadership capabilities, especially among district health workers, undermines the organization's ability to strategize, fundraise, and secure long-term funding. According to a study by Chaskin (2001) [14]. leadership plays a crucial role in the success of nonprofit organizations. Effective leadership not only drives operational success but also shapes organizational strategies, including resource mobilization efforts. In the case of CAfH, the underdeveloped leadership skills of its district health workers hinder their capacity to generate funding and to advocate effectively for the organization's financial needs.

The concept of "leadership capital," which refers to the ability of an organization's leaders to build networks, generate resources, and influence stakeholders, is critical to organizational sustainability (Raeymaekers, 2013) [41]. The lack of such capital in CAfH's leadership structure is a significant barrier to the organization's ability to secure diverse funding sources. This limitation aligns with research by Fink and Rees (2012) [24]. Who found that nonprofits with strong leadership capabilities are better equipped to diversify their funding sources, ensuring financial resilience in the face of uncertainty?

Resource mobilization strategies and financial stability

A second major challenge is CAfH's inadequate resource mobilization strategies, which are essential for securing sustainable funding. Many organizations that succeed in fundraising often have a diversified funding base, which provides a cushion against financial instability. Nonprofit organizations that rely on a single or limited number of funding sources are at higher risk of financial volatility (Cahill, 2013) [13]. In this regard, CAfH's reliance on a narrow set of funding strategies such as donor funding and volunteer services has contributed to its vulnerability to external funding fluctuations and financial strain.

Studies by Ebrahim and Rangan (2014) [19] emphasize the importance of resource diversification in enhancing the financial sustainability of nonprofits. Diversification, they argue, not only reduces reliance on external donors but also increases the organization's capacity to weather economic and political fluctuations. CAfH's inability to secure diverse revenue streams exposes it to the risk of funding shortages, which could potentially lead to program interruptions or organizational failure. As such, the organization must adopt more varied resource mobilization strategies, including exploring income-generating activities and partnerships with local businesses, to ensure its financial stability.

Recommendations for strengthening leadership and resource mobilization

To address these gaps, CAfH must focus on enhancing the leadership capabilities of its staff, particularly district health workers, to ensure they are equipped with the skills necessary for effective resource mobilization. Leadership training in areas such as fundraising, strategic planning, and financial management would help strengthen the organization's capacity to engage donors and stakeholders and secure sustainable funding. According to a report by the International Federation of Red Cross and Red Crescent Societies (IFRC, 2011) [31], capacity building in leadership is essential for improving resource mobilization outcomes. The IFRC suggests that nonprofits invest in leadership development programs to ensure their leaders are equipped to manage resources effectively and to guide the organization through periods of financial instability.

Furthermore, refining CAfH's resource mobilization strategies is critical to its long-term success. By diversifying its funding base, CAfH can mitigate risks associated with reliance on a single funding source. Adopting a more strategic approach to resource mobilization such as targeting a wider range of funding opportunities, including digital fundraising and partnerships with corporate sponsors could help expand CAfH's financial support network and provide more stability. Research by Sulek (2015) [45]. underscores the importance of diverse revenue sources for nonprofits, recommending that organizations seek multiple channels for income generation to increase their financial resilience.

6.3 Socio-Economic challenges for beneficiaries

The findings from this study reveal that the beneficiaries of Community Action for Health (CAfH) face numerous financial and social challenges that significantly impede their ability to contribute to the organization's financial sustainability. These challenges include large family sizes, health-related issues, and environmental factors affecting household enterprises, and low literacy rates, all of which hinder the beneficiaries' ability to participate in the organization's operations and contribute to its revenue generation efforts.

Financial and Social Challenges: Family Size, Health, and Environmental Factors

Many of CAfH's beneficiaries face large family sizes, which often translate into greater financial burdens. Larger families typically have fewer resources available per individual, making it more difficult for them to support initiatives like CAfH. Research by Bhandari and Ghimire (2006) [10]. Supports this observation, highlighting that large family sizes in rural areas often result in constrained household incomes, leading to limited financial contributions to community-based programs and organizations.

Additionally, health issues among beneficiaries further compound their ability to participate in CAfH's operations. Ill-health not only reduces the capacity of individuals to engage in economic activities, but it also strains household resources, which might otherwise have been used to support community-driven efforts. According to the World Health Organization (WHO, 2018) [54], poor health conditions significantly diminish household productivity, which can reduce economic contributions to community initiatives, including those aimed at improving public health.

Environmental factors also pose significant barriers. In regions such as Karamoja, environmental degradation and climate change impact household enterprises by reducing agricultural yields and increasing the difficulty of earning a living through farming or livestock rearing. Environmental challenges have been shown to exacerbate poverty and limit the ability of individuals to support social or economic ventures, as highlighted by Adger *et al.* (2003), who discuss the adverse effects of environmental stressors on the livelihoods of rural populations, especially in vulnerable regions.

Low Literacy Rates and Limited Economic Engagement

One of the most significant barriers faced by CAfH beneficiaries is the low literacy rate in the region, which significantly limits their ability to engage in organizational activities, maintain accurate household records, and manage their enterprises effectively. Low literacy levels restrict access to information, particularly related to financial management, business skills, and the benefits of participating in community-driven development projects. According to the United Nations Educational, Scientific and Cultural Organization (UNESCO, 2014) [50], low literacy rates directly hinder economic participation and community engagement, as individuals lack the skills to access and interpret the information necessary to improve their socio-economic standing.

Moreover, low literacy levels contribute to a lack of bargaining power among beneficiaries, making them vulnerable to exploitation by better-educated and more economically powerful individuals. Exploitation can manifest in various forms, including unfair pricing for goods and services, which reduces the beneficiaries' ability to generate income. In their study of rural poverty, Skoufias and Davis (2014) [44]. Found that individuals with lower literacy and education levels are more likely to experience economic exploitation, which not only harms their financial standing but also prevents them from contributing meaningfully to collective efforts such as community-based health programs.

The impact of socio-economic constraints on organizational support

The combination of large family sizes, health challenges, environmental factors, and low literacy levels creates a socio-economic environment where CAfH beneficiaries struggle to support the organization's financial sustainability. As many beneficiaries face economic instability themselves, they are unable to contribute financially or in terms of labor to the organization's activities. This presents a significant barrier to CAfH's long-term success in securing sustainable revenue streams. According to research by Ritchie et al. (2016) [42], organizations that rely on the active engagement and support of their beneficiaries often face difficulties when those beneficiaries are caught in cycles of poverty and socio-economic distress. This dynamic further complicates efforts to diversify funding sources, as financial contributions from beneficiaries are crucial for maintaining the continuity of community-based organizations.

6.4 Implications for CAfH's Financial Sustainability

The study identifies critical areas that CAfH must focus on to improve its financial sustainability. These areas are integral to creating a more resilient and financially stable organization. They include: comprehensive capacity building in resource mobilization, diversification of funding sources, enhanced engagement with beneficiaries in organizational planning and financial decision-making, and strengthening financial management systems. Each of these areas plays a significant role in helping CAfH secure a sustainable future and overcome its current financial challenges.

Comprehensive capacity building in resource mobilization

One of the most crucial areas for CAfH to address is the capacity building of staff and stakeholders in resource mobilization. Resource mobilization is essential for organizations to secure funding and resources from a variety of sources. Effective resource mobilization not only depends on the technical skills of the staff but also on strategic planning, relationship-building with donors, and advocacy (Barton *et al.*, 2017) [7]. The lack of comprehensive capacity in this area is a critical barrier for CAfH. Studies by Van der Veen (2004) [51] highlight that organizations that invest in strengthening resource mobilization skills tend to secure more diversified and stable funding sources, which ensures long-term financial sustainability.

Training and equipping staff with the necessary tools, knowledge, and skills to actively seek and secure funds can help CAfH shift from a dependency on a single donor to a more robust and diverse financial base. According to Bebbington and Riddell (1997) [9], NGOs that engage in systematic resource mobilization and develop strong organizational capacities in this area tend to have higher success in securing diverse funding streams. This diversification reduces the risks associated with reliance on a single donor or funding body, making the organization less vulnerable to external shocks, such as the withdrawal of funding by organizations like the World Food Programme (WFP).

Diversification of funding sources

CAfH's over-reliance on a single donor, such as the WFP, has made its financial stability precarious. Diversifying funding sources is an essential strategy for any organization seeking financial sustainability. Relying on a single donor or funding body can create vulnerabilities for an organization, as donor funding may be subject to change due to external factors such as economic downturns, political shifts, or changes in donor priorities (Van Slyke, 2006) [52].

Diversification in funding sources involves seeking a range of revenue streams, such as individual donations, corporate sponsorships, government grants, and income-generating activities (such as selling services or products). This approach is consistent with the observations of Tuckman (2013) [46], who emphasized that NGOs that successfully diversify their funding sources are less vulnerable to financial instability and can more effectively sustain their operations in the long term. CAfH must consider engaging with a broader range of potential donors, including local businesses, international development agencies, and individual supporters, to reduce its financial reliance on WFP.

Enhanced engagement with beneficiaries in organizational planning and financial decision-making

Another key area identified for improvement is enhanced engagement with beneficiaries in organizational planning and financial decision-making. According to recent studies, involving beneficiaries in decision-making not only improves program outcomes but also fosters a sense of ownership, which can contribute to better sustainability. Engaging with beneficiaries in organizational planning ensures that their needs and perspectives are considered, which can lead to more relevant and effective programs (Chaskin, 2001) [14]. Moreover, when beneficiaries understand the financial needs and goals of the organization, they may become more willing to contribute to fundraising efforts or volunteer their time and skills.

Furthermore, beneficiaries who are involved in decision-making are more likely to feel invested in the organization's success, which can lead to greater support for its initiatives. CAfH can incorporate participatory planning approaches, allowing beneficiaries to have a voice in setting priorities, which will likely improve both the effectiveness of the programs and their sustainability.

Strengthening financial management systems

A final critical area that CAfH must focus on is strengthening its financial management systems. Effective financial management is fundamental to ensuring transparency, accountability, and operational efficiency, all of which are key to attracting and retaining donors and stakeholders. Financial systems that are clear, robust, and transparent help build trust with donors and improve internal accountability (Gibelman & Gelman, 2004) [28]

Strong financial management systems can also facilitate the tracking of resources and ensure that funds are used efficiently and in accordance with the intended goals.

The lack of strong financial management systems in many NGOs can lead to inefficiencies, misuse of resources, and even reputational damage. According to a study by Ebrahim (2005) [18], organizations that maintain high standards of financial transparency and accountability are more successful in attracting and retaining funding from donors. Additionally, a well-organized financial management system enables organizations to plan for financial sustainability by forecasting cash flows, setting realistic financial targets, and identifying potential financial risks.

7 Conclusions and Recommendations

7.1 Conclusions

CAfH's financial sustainability is threatened by several interrelated issues:

1. Limited revenue diversification, heavily reliant on WFP funding
2. Inadequate resource mobilization skills among staff, particularly district health workers
3. The socio-economic challenges faced by beneficiaries, including low literacy and limited economic opportunities
4. Weak organizational systems that fail to leverage available resources effectively

CAfH's struggle with resource mobilization can be attributed to a combination of underdeveloped leadership skills and a lack of diversified fundraising strategies. These challenges limit the organization's ability to strategize effectively, secure sustainable funding, and ensure long-term financial stability. Addressing these issues through targeted leadership training and the adoption of diversified resource mobilization strategies is critical for enhancing CAfH's financial sustainability and organizational success.

The socio-economic challenges faced by CAfH's beneficiaries-including large family sizes, health issues, environmental degradation, low literacy rates, and lack of bargaining power-pose significant barriers to the organization's efforts to secure sustainable revenue streams. Addressing these challenges requires a multi-faceted approach that includes capacity-building programs for beneficiaries, such as adult literacy programs, as well as initiatives to improve health and reduce environmental stressors. By empowering beneficiaries with the skills and resources to overcome these socio-economic constraints, CAfH can foster greater engagement and support for its programs, thereby enhancing its financial sustainability.

Finally, the study highlights several key areas that CAfH must focus on to improve its financial sustainability. Strengthening capacity in resource mobilization, diversifying funding sources, engaging beneficiaries in planning, and reinforcing financial management systems are all essential strategies for ensuring the organization's long-term survival and growth. Addressing these issues will allow CAfH to reduce its vulnerability to external shocks, create a more stable and diversified funding base, and increase community involvement in its initiatives.

7.2 Recommendations
Based on the findings, several recommendations are proposed to address CAfH's financial sustainability challenges:

1. **Training and Capacity Building:** CAfH should conduct targeted training programs for staff and district health workers, with a focus on enhancing resource mobilization and financial management skills. This would help staff better identify and secure diverse funding sources.
2. **Clarification of Roles:** Clear job descriptions should be developed for all staff, aligning their roles with their organizational management strengths. For district health workers who lack resource mobilization skills, targeted training should be funded and implemented.
3. **Diversification of Funding Sources:** CAfH leadership should implement a more diverse set of resource mobilization strategies, including digital fundraising platforms, partnerships with local businesses, and expanded proposal submissions to international donors.
4. **Empowering Program Beneficiaries:** The creation of self-help groups among program beneficiaries should be encouraged to improve their bargaining power, increase access to bulk buyers, and reduce exploitation by businesspeople.
5. **Adult Literacy Programs:** To address low literacy levels, CAfH should introduce mobile adult literacy programs tailored to the nomadic lifestyle of beneficiaries. These programs would help beneficiaries develop business skills, increase household incomes, and better support the organization’s programs.
6. **Advocacy and Collaboration:** CAfH should work with local government bodies, civic, religious, and educational leaders to address broader challenges such as environmental degradation, illiteracy, and cultural beliefs that hinder economic growth. Collaborative efforts will be critical for long-term program success and financial stability.

7.3 Areas for Future Research
Further research is recommended to better understand the broader context in which CAfH operates:

- The impact of cultural beliefs on the socio-economic development of Karamoja, particularly how traditional norms and superstitions might limit economic opportunities.
- The effects of the nomadic pastoral lifestyle on the physical and mental health of the population in the Karamoja sub-region.

These areas of research could offer deeper insights into the challenges faced by CAfH and its beneficiaries, providing valuable information to inform future interventions.

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10. Conclusion
CAfH faces considerable challenges to achieving long-term financial sustainability, primarily due to over-reliance on WFP funding, limited resource mobilization skills, and socio-economic barriers among its beneficiaries. The organization’s current revenue streams are underutilized and insufficiently diversified, exposing it to external risks such as funding withdrawals. Addressing these issues requires strategic capacity building, including training staff in financial management and resource mobilization, as well as developing innovative income-generation avenues like corporate partnerships and grant proposals. Additionally, empowering beneficiaries through literacy programs and involving them more actively in organizational planning can foster greater community support and contributions. Strengthening financial management systems and diversifying funding sources will enhance CAfH’s resilience, ensuring the continuity of vital health and nutrition services to vulnerable communities. Implementing these recommendations will be crucial for securing the organization’s sustainability and expanding its impact in the Karamoja region.

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