



ASSESSING EFFECTS OF INTERNATIONAL DONOR AID SHIFTS ON NOT-FOR-
PROFIT ORGANISATIONS' SUSTAINABILITY STRATEGIES IN UGANDA

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ASSESSING EFFECTS OF INTERNATIONAL DONOR AID SHIFTS ON NOT-FOR-
PROFIT ORGANISATIONS' SUSTAINABILITY STRATEGIES IN UGANDA

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Abstract

ASSESSING EFFECTS OF INTERNATIONAL DONOR AID SHIFTS ON NOT-FOR-PROFIT ORGANISATIONS' SUSTAINABILITY STRATEGIES IN UGANDA

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This research delves into the implications of shifts in international donor aid on the sustainability of not-for-profit organisations in Uganda, framed within resource dependency theory, organisational ecology, strategic management, stakeholder theory and social capital. It critically analyses the impact of changing donor aid modalities, the determinants guiding donor aid allocations, and aid recipient effectiveness on the financial and identity sustainability of NPOs. This study addresses a notable gap in the literature regarding the strategies employed by Ugandan NPOs to navigate and sustain themselves amidst evolving donor aid paradigms. Employing an explanatory sequential mixed-methods approach, the research was conducted through surveys and interviews involving 101 NPOs, achieving a response rate of 75.9%. The sample comprised 60.4% international not-for-profit organisations, 32.7% local organisations, and 6.9% organisations with both international and local affiliations. Notably, most participating organisations were operational for over 20 years, and 87% reported having an existing sustainability strategy. The demographic data revealed a balanced gender distribution among respondents, while the diversity of organisations provided a comprehensive view of donor aid dynamics. Data analysis utilised inferential (logistic regression) and descriptive statistics (charts and tables with frequencies and proportions). The logistic regression analysis uncovered that variations in donor aid modalities, particularly budget support and aid localisation, substantially affect NPO sustainability strategies. Specifically, a unit increase in

donor aid localisation correlates with a 0.257 increase in sustainability strategy effectiveness, while a shift towards result-based delivery indicates a 0.512 increase. Conversely, increased donor aid-recipient effectiveness, particularly regarding accountability and value-for-money requirements, is linked to a 0.207 decline in sustainability. These results illustrate the paradox inherent in donor compliance, revealing tensions between NPO alignment with donor priorities and preserving their mission integrity. The findings underscore NPOs' need to embrace agility and responsiveness to enhance their impact and adaptability to the shifting donor aid landscape, fortifying their resilience and sustainability. Recommended strategies for bolstering NPO sustainability amidst donor aid volatility include adaptive change management, diversification of donor and funding portfolios, cost-containment measures, collaboration and coordination, flexible strategy formulation, accountability, and structured learning and partnerships. While financial sustainability strategies such as revenue diversification and partnerships have demonstrated positive outcomes, the movement towards result-based aid and localised donor allocations poses significant challenges for the long-term viability of NPOs. This study contributes to the discourse on NPO sustainability by empirically evidencing the effects of shifts in international donor aid and providing actionable recommendations for developing robust, localised, and adaptable sustainability frameworks. Further research should explore the impact of private-sector collaborations on the long-term sustainability of nonprofit organisations. Additionally, longitudinal studies could provide deeper insights into this research phenomenon, allowing for a more comprehensive understanding of the evolving dynamics and outcomes of these partnerships.

Declaration

I declare that this thesis has been composed solely by me and has not been submitted, in whole or in part, in any previous application for a degree. Unless stated otherwise by reference or acknowledgement, the work presented is entirely my own.

AI Acknowledgment

I acknowledge that I used the Grammarly AI tool (<https://www.grammarly.com/>) to identify grammatical errors, such as punctuation, spelling, and sentence structure, in the final version of this thesis.

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Dedication

I dedicate this work to my family and friends, whose unwavering support, encouragement, and faith in my abilities were pivotal throughout this academic journey. Their love and guidance provided a vital foundation, serving as my most significant source of strength during this endeavour. Pursuing this doctorate amidst the uncertainties and anxieties of the COVID-19 pandemic imparted a profound sense of purpose. I also dedicate this achievement to God, from whom I drew the hope and resilience that sustained me, particularly when faced with the pressures of competing priorities and the occasional challenges that disrupted my focus and concentration.

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Table of Contents

List of Abbreviations	xv
List of Tables	xix
List of Figures.....	xx
CHAPTER 1: INTRODUCTION	1
Statement of the Problem	9
Purpose of the Study, Research Aims, and Objectives	12
Research Aims and Objectives.....	13
Research Objectives	13
Nature and Significance of the Study.....	13
Nature of the Study	13
Significance of Study	15
Research Questions and Hypotheses.....	19
Research Questions	19
Study Hypothesis.....	20
CHAPTER 2: LITERATURE REVIEW.....	22
Introduction	22
Theoretical/Conceptual Framework.....	23
Resource Dependency Theory	23
Organisational Ecology	27
Strategic Management and Stakeholder Theory	30
Social Capital Theory.....	34

Field/ Industry Description.....	43
International Donor Aid Modalities	53
Definition and Scope of Aid Modalities.....	55
Background to Shifts in Donor Aid Modalities	58
Operationalisation of Shifts in Donor Aid Modalities	59
Donors Aid Modalities and Implications: Ugandan Context.....	65
Donor Aid Modalities and Implications; Uganda NPOs Context.....	68
Donor Aid Modality Types.....	70
Pooling of Funds.....	70
Localisation of Aid	78
Sector-Wide Approaches Funding Objectives.....	90
Result-Based Aid Approach	103
Donors' Aid Allocation Determinants	131
International Donors' Aid Socio-Economic & Political Factors and Governance	
Factors.....	134
Donor Egoistic Interests.....	136
Donor Altruistic Interests.....	140
International Donor Aid-Recipient Effectiveness.....	143
Donor Aid -Recipient Conditionality	149
NPOs and Aid Accountability.....	151
Non-profit Organisations (NPOs) Sustainability	155

Not-for-Profit Organisations Description	155
Not-for-Profit Organisations Sustainability Description	159
Financial Sustainability	161
Operational Sustainability	168
Identity Sustainability	170
Intervention Sustainability	172
Empirical Review and Literature Review Transition	174
Literature Gap	180
CHAPTER 3: RESEARCH METHODS	183
Introduction	183
Research Approach and Design	183
Operational Definition of Variable	187
Target Population	189
Determination of the Sample Size	190
Sampling Procedures	191
Pre-testing (Validity)	194
Data Collection Procedures	195
Data Analysis.....	197
Research Ethical Considerations of this Research Study	198
CHAPTER 4: DATA ANALYSIS AND RESULTS	203
Introduction	203
Trustworthiness of Data	204
Reliability and validity of data	207

Results of Findings, including graphical illustrations	210
Introduction.....	210
Response Rate	210
NPO Social Demographic Information	214
Descriptive statistics for the variables under study.....	240
Verification of the Study Hypotheses.....	267
Results interpretation	271
Summary of the evaluation of findings	308
CHAPTER 5: IMPLICATIONS, RECOMMENDATIONS, AND	
CONCLUSIONS.....	310
Introduction.....	310
Implications	312
Recommendations for Application	322
Significance of the Results	344
Contributions to Existing Literature	345
Future Research Directions	355
Conclusion	356
Recapitulation of Findings.....	358
Contextualising the Results.....	360
Final Reflections	362
REFERENCES	366

APPENDICES	403
Appendix A: Reliability Analysis of the Data Collected	403
Appendix B: List of Sampled NPOs	405
Appendix C: Questionnaire Tool	408
Appendix D: Qualitative Tool-Interview Guide.....	416
Appendix E: UGANDA Research Ethics Committee Decision.....	417
Appendix F: UNICAF University Ethics Committee Decision	419
Appendix G: Gatekeeper Letter	420
Appendix H: Informed Consent Form.....	421
Appendix I: Pre-Viva Voce Approval	423
Appendix J: UNICAF REAF	426

List of Abbreviations

AIDS	Acquired Immune Deficiency Syndrome
AMP	The Aid Management Platform
APA	American Psychological Association
BRICS	Brazil, Russia, India, China and South Africa
TBL	Triple Bottom Line
CBPFs	Country-based pooled funds
CHS	Core Humanitarian Standards
COD	Cash on delivery
COVID-19	Coronavirus Disease 2019
CRRF	Comprehensive Refugee Response Framework
CIDA	Canadian International Development Agency
CSOs	Civil Society Organisations

DAC	Development Assistance Committee
DDF	District Development Fund
DFID	Department for International Development
DFID	Department for International Development
DRC	Democratic Republic of the Congo
ERP	Economic Recovery Program
GBS	General Budget Support
GDP	Gross Domestic Product.
GNI	Gross National Income
GOU	Government of Uganda
HIV	Human Immunodeficiency Virus
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency
ICVA	Syndrome International council of voluntary agencies
IHA	International Humanitarian Assistance
IMF	International Monetary Fund
INGO	International not-for-profit Organisation
INTRAC	International NGO Training and Research Centre
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MFA	The Netherlands Ministry of Foreign Affairs
MINTs	Mexico, Indonesia, Nigeria, Turkey

MLGRD	Ministry of Local Government and Rural Development of Ghana
MOFA	Ministry of Foreign Affairs
MOFA	Ministry of Foreign Affairs
MoFPED	Ministry of Finance, Planning and Economic Development
MTEF	Performance Assessment Framework (PAF) and Medium-Term Expenditure Framework
NDP	Uganda National Development Plan
NGO	Non-Governmental Organisation
NNGO	National not-for-profit organisations
NPO	Not-for-profit Organisation
NRM	National Resistance Movement
NPM	New Public Management
ODA	Official Development Assistance
ODA	Official Development Assistance.
OECD	Organisation for Economic Co-operation and Development. Organisational
OSC	Social Capital
PBR	Payment by Results
PEAP	Poverty Eradication Action Plan
PFM	Public Financial Management Framework
PFM	Public Finance Management Act
RBA	Result-Based Aid

RDT	Resource Dependency Theory
SDGs	Sustainable Development Goals
SPSS	Statistical Package for Social Sciences
STA	Settlement Transformation Agenda
SWAp	Sector-Wide Approach
UK	United Kingdom
ULGSP	Urban Local Government Strengthening Program
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNHCR	United nations high commission for refugees
UNHCR	United Nations High Commissioner for Refugees
UNICAF	UNICAF University
US	United States
USAID	United States Agency for International Development
USD	United States Dollar
WACSI	West African Civil Society Institute, 2015
WHS	World Humanitarian Summit

List of Tables

Table 1: Operational Definition of the Variables	187
Table 2: Sample size allocation.....	193
Table 3: Study Response Rate.....	213
Table 4: Type of Organisation.....	222
Table 5: NPO period of Existence in Uganda	224
Table 6: Respondent Gender	227
Table 7: Respondent Department	230
Table 8: Respondent Duration.....	234
Table 9: Model Fitting Information.....	269
Table 10: Goodness of Fit	269
Table 11: Pseudo R-square.....	269
Table 12: Parameter Estimates	270
Table 13: Parameter Estimates for Sub-Variables	270

List of Figures

Figure 1: Study Theoretical and Conceptual Framework	40
Figure 2: Illustration of the Mixed Method Research Design.....	186
Figure 3: NPO Operational Budget.....	237
Figure 4: NPO Programming Areas	240
Figure 5: Existence of a Sustainability Strategy and Core Areas of the Strategy	244
Figure 6: Summary of Respondent Views on International Aid Modalities	250
Figure 7: Summary of views on International Donor Aid Allocation Determinants	257
Figure 8: International Donor Aid-Recipient Effectiveness.....	262
Figure 9: Summary of Respondents' View on NPO Sustainability Strategies	267

CHAPTER 1: INTRODUCTION

Introduction

Not-for-profit organisations (NPOs) in numerous developing countries heavily rely on foreign aid to fulfil their missions and strategic objectives. The international donor landscape is diverse, including multilateral and bilateral agencies and individual philanthropists, who channel funding through NPOs to promote various development agendas (Mueller-Hirth, 2012). These organisations typically aim to address multiple objectives such as advocacy, capacity building, and poverty alleviation, with their financial sustainability predominantly dependent on the availability of international donor support (Mueller-Hirth, 2012; AbouAssi, 2013). Historical data shows that since the 1980s, developed nations—often labelled as the Western World Donors—have played a fundamental role in combating poverty in developing nations by consistently allocating funds to NPOs for a myriad of economic, developmental, and political motivations (AbouAssi, 2013; Kharas, 2007).

Pallas and Nguyen (2018) delve into the broad spectrum of activities undertaken by NPOs, highlighting their role in furthering policy objectives, promoting nonviolent political dialogue, and servicing populations in hard-to-reach regions. The developmental contributions of these organisations have notably evolved, effectively addressing gaps left by governmental inefficiencies and corruption in public service delivery (Mueller-Hirth, 2012). This trend is underscored by the reliance on NPOs to execute lifesaving

interventions in regions afflicted by conflict or natural disasters. In such scenarios, NPOs often issue appeals for disaster funding from international donors, provoking timely responses crucial for saving lives (Pallas & Nguyen, 2018).

In Uganda, foreign aid is integral to financing its development agenda, with Official Development Assistance (ODA) as a critical funding source. This assistance has backed various projects across multiple sectors, benefiting both the Government of Uganda and NPOs (Development Initiatives, 2021). Notably, bilateral grants have emerged as Uganda's predominant form of aid; however, they exhibited fluctuations between 2018 and 2020, recording an 8% increase from 2018 to 2019, followed by an 8% decline from 2019 to 2020 (Development Initiatives, 2021). AbouAssi (2013) notes that Uganda was ranked among the top ten global recipients of donor assistance during the 2007-2008 period. Additionally, research indicates that over 70% of NPOs' funding in Uganda is sourced from international donors (Fafchamps et al., 2009; Barr et al., 2003).

The proliferation of not-for-profit organisations in Uganda can be traced back to the devastating consequences of the 1986 war, the HIV/AIDS epidemic, and widespread civil unrest. These factors severely disrupted the country's social, economic, and political fabric, resulting in significant vulnerability and extreme poverty among the populace. In this context, NPOs emerged as critical players in addressing these challenges, particularly following the ascendance of the National Resistance Movement (NRM), which fostered a

more conducive regulatory environment and established the National Non-Governmental Organisations (NGOs) Board (The National NGO Policy, 2010). Estimates indicate a remarkable increase in NPOs, soaring from under 160 in 1986 to approximately 3,500 by 2000, 5,500 in 2005, and about 10,843 in the same year. By 2021, the total was estimated at around 40,000 (Barr et al., 2003; Deserraanen et al., 2021). Acknowledging that these figures exclude numerous community-based organisations, which typically operate at the grassroots level, is crucial.

The involvement of international donors in supporting Uganda's most disadvantaged populations is a crucial aspect of the country's development framework, as they offer significant financial resources that underpin the operations of not-for-profit organisations (Burger & Owens, 2013). The Ugandan government acknowledges the indispensable role that non-state actors play in achieving the goals outlined in its Economic Recovery Program (ERP) and the accompanying Poverty Eradication Action Plan (PEAP), both of which emphasise the importance of private sector-led economic growth. The 1995 Ugandan Constitution enshrines civic participation rights, permitting citizens to engage in peaceful activities through NPOs (The National NGO Policy, 2010). The government recognises NPOs as essential partners in delivering services to vulnerable populations and improving accountability within public institutions (The National NGO Policy, 2010). Additionally, the Local Government Act of 1997 explicitly acknowledges the critical services that NPOs render to local communities underscoring their key functions in advocacy, democratic processes, governance and community empowerment throughout Uganda (The National NGO Policy, 2010)

However, despite the positive contributions of NPOs in supporting government initiatives and development objectives, there is mounting evidence that these organisations face significant challenges regarding sustainability. This is mainly due to volatilities in the international aid landscape from traditional donors (Mawdsley, 2012; Dubochet, 2012; INTRAC, 2014; Bwire et al., 2017). Changes in international aid architecture— characterised by the withdrawal of long-established donors, decreasing volumes of aid to NGOs, shifting funding priorities, and an emphasis on value for money and accountability—underscore a paradigm shift in donor behaviors (NGOs Coordination Board, 2019; Marinkovic, 2014; Kumi, 2017a; Bermeo, 2010). This shift has been exacerbated by the financial crisis of 2008-2009, which stands as one of the most severe economic downturns since the Great Depression (Morgan, 2014).

In this evolving landscape, UK aid to Uganda, identified as the second-largest bilateral funding source in 2019, experienced a notable cut of 54%. This reduction undermined funding levels for Uganda and introduced further sustainability issues for DFID-supported NPOs (Development Initiatives, 2021). Additional analysis indicates that Official Development Assistance (ODA) targeting Uganda saw only a marginal increase to \$1.6 billion in 2013, ultimately rising to \$2.9 billion in 2020 before declining sharply to \$2.2 billion in 2021. Sector-specific data reveals that bilateral grants to health, totalling approximately \$205 million in 2020, still reflected a 10% decline from 2019. Conversely, humanitarian aid disbursements also suffered, plummeting from \$163 million in 2019 to \$98 million in 2020, representing a 40% decrease (Development Initiatives, 2021).

The shifting dynamics in the international aid architecture have compelled donors in Uganda to reconsider their funding strategies, emphasising support for local and indigenous structures as part of the localisation agenda. This evolution aligns with a broader shift towards a self-reliance model, which includes funding consortia organisations over individual not-for-profit organisations and implementing performance-based financing mechanisms (USAID, 2019). Furthermore, new entrants into the donor landscape are moving from public sector affiliations to private sector partnerships, introducing innovative funding models such as contracts and fixed-amount awards that diverge from traditional cooperative agreements with NPOs. This strategic realignment facilitates more efficient resource allocation. As geopolitical factors evolve, more donors engage directly with government entities rather than NPOs, reflecting a pivot towards bilateral relations (Kharas, 2007).

These shifts have significant implications for the sustainability of NPOs in Uganda. Research by Arhin et al. (2015) highlights that many NGOs are grappling with complex sustainability issues, including challenges in securing funding for new initiatives, attracting and retaining qualified personnel, executing sustainability projects, and developing robust governance frameworks. Consequently, the potential contributions of NPOs to achieving the Sustainable Development Goals (SDGs), which the Ugandan government has endorsed, are at risk due to the volatility in the donor funding landscape (Arhin, 2016).

Despite the changing international donor landscape, there remains a significant gap in empirical research regarding the impacts on NPOs and their adaptation of sustainability strategies in response to fluctuations in global aid mechanisms (Arhin et al., 2015; Kumi, 2017b). Few studies have systematically explored how NPOs in Uganda adjust their operational strategies to remain viable amid these transformations. This study addresses this research gap, providing insights into how the reconfigured international donor environment influences NPO sustainability strategies. It also assesses how these organisations adapt to the shifting landscape of donor aid, exploring this relationship's interconnected and conflicting dimensions.

Research Context

This study examines the evolving landscape of international donor engagement and its implications for the sustainability of not-for-profit organisations in Uganda. Since 1992, the number of registered NGOs in Uganda has surged from more than 500 to approximately 14,000 by 2021 (Ministry of Internal Affairs, 2021). This sector exhibits a wide range, from organisations operating on a national scale to those restricted to a few districts, with activities varying from multi-sectoral interventions to specialised thematic focuses.

In recent years, the scope of NPO activities in Uganda has expanded, including macro-policy advocacy, civil and human rights lobbying, and promoting integrity and accountability in governance (Ministry of Foreign Affairs, 2010; Mbazira, 2018). This growth is partly driven by governmental encouragement for NPOs to engage in service delivery partnerships, alongside a recognised insufficiency in government-led development assistance (Barr & Fafchamps, 2006; Mbazira, 2018).

However, most Ugandan NPOs remain small, fragmented, and community-oriented, typically managed by a single administrator with a limited governance structure. Funding challenges persist, with constant fundraising being a core operational concern. A comprehensive survey from 2002 (Barr et al, 2005) revealed that most NPOs function with minimal revenue. Notably, funding is disproportionately concentrated among four large international NPOs, with the average annual revenue for NGOs around 478 million Ugandan shillings (approximately \$275,000) and a median revenue of just 38 million Ugandan shillings (about \$22,000). Smaller NGOs often lean on membership dues, local fundraising, and revenue from ancillary enterprises, as their activities primarily centre on advocacy and awareness-raising, potentially diluting the effectiveness of their limited budgets and prioritising advocacy over direct service delivery.

The introduction of the Non-Governmental Organisations Act in 2016 is perceived as an effort to constrain civil society (Mbazira, 2018). However, registered NPOs maintain strong relationships with local government authorities, with all district-operating NPOs required to submit their program activity plans and budgets to the Local Government Authority. This process aids in aligning their initiatives with broader sectoral development frameworks. Barr et al. (2003) indicated that 70% of Ugandan NPOs partner with line ministries; however, advocacy remains the predominant focus, generally attracting limited governmental funding. In contrast, Reinikka and Svensson (2007a and 2007b) found that NPOs engaged in sectors like education and health are more likely to secure government support, as their activities align closely with state priorities.

The complexities of financing mechanisms for NPOs drive the core inquiry of this research. The study investigates international donors' contrasting priorities and funding dynamics, coupled with the sustainability challenges Ugandan NPOs face. International donors increasingly emphasise aid effectiveness, promoting country ownership, which sometimes positions NPOs as preferred recipients of international funds. However, the Ugandan government argues that the rising number and diversity of NPOs complicate the enforcement of accountability and responsible practices among these entities, particularly concerning protecting vulnerable populations. These issues have not been extensively explored in existing literature. The subsequent section of this study introduces a theoretical framework to analyse the implications of shifting donor funding paradigms on the sustainability of NPOs in Uganda. By investigating the effects of alterations in the funding landscape, the study aimed to delineate key predictors of sustainability, specifically focusing on Financial and Identity sustainability.

Statement of the Problem

Not-for-profit organisations increasingly depend on grants and international donations to fulfil their missions, align with strategic objectives, ensure sustainability, and advance respective Country Development Agendas (Omura & Forster, 2014; Waniak-Michalak & Zarzycka, 2015). In Uganda, numerous interventions by NPOs have effectively augmented governmental efforts and related development goals (Annual Sector Report, 2018/19). Nonetheless, there is a growing recognition that NPOs globally, including those operating in Uganda, are confronting substantial sustainability challenges, primarily attributable to the evolving landscape of international donor aid (Mawdsley, 2012; Dubochet, 2012; Kumi, 2017; USAID, 2019). This aligns with the observation that “Donors develop their programs, preferences, and priorities and revise them at an ever-increasing pace, while at best NGOs try to figure out how they might fit in or if they meet the criteria underlying the latest preoccupation of donors” (Doornbos, 2003).

The current shifts in the international donor aid environment are evident in the declining support from traditional donor countries, along with evolving volumes and aid patterns directed towards NPOs. New priorities emphasising value for money and enhanced accountability have emerged (Marinkovic, 2014; DFID, 2011; Kumi, 2017). The implications of these changes are stark; they have been linked to funding reductions that comprise over 40% of the total decrease in aid for Sub-Saharan Africa (Howard, 2000). The transition from public to private funding sources, coupled with the emerging discourse around aid localisation, suggests further significant contractions in aid flows. This evolving landscape has profoundly impacted the sustainability of NPOs (USAID, 2019; Kharas, 2007; Kumi, 2017; Howard, 2000). Specifically, Uganda and its NPOs have witnessed considerable declines in international donor support, primarily driven by the geopolitical interests of bilateral donors.

The discretionary nature of aid allocations and decision-making, predominantly controlled by donors, enables international funding entities to recalibrate their giving parameters based on political, geographical, and cultural factors, often with minimal engagement from recipient nations (Nunnenkamp, 2015; Kasirye, 2019). Consequently, not-for-profit organisations are marginalised within this paradigm, raising doubts about their operational viability. For instance, UK aid to Uganda, which constituted the second-largest bilateral aid inflow to the nation in 2019, underwent a drastic reduction of 54%, adversely affecting Uganda's funding landscape and posing significant sustainability challenges for NPOs reliant on the Foreign, Commonwealth & Development Office (FCDO) (Development Initiatives, 2021).

Further examination by Development Initiatives (2021) reveals alarming trends within Uganda's bilateral donor aid ecosystem. In 2020, the health sector received US \$205 million in bilateral grant aid, marking a 10% decrease from 2019. Additionally, aid directed towards the humanitarian sector, vital for supporting NPOs, totalled US\$163 million in 2020, reflecting a 20% drop from the prior year (Development Initiatives, 2021). The instability of international donor aid, compounded by heightened competition among NPOs, has exacerbated their sustainability difficulties (Klar & Piston, 2015). The economic downturn, partly driven by the COVID-19 pandemic, led to foreign aid reductions exceeding 49%, further complicating an already volatile donor landscape and endangering the sustainability of Uganda's NPOs (Emma & Vince, 2020).

The continuous evolution of the international donor aid framework presents formidable challenges to the sustainability of Uganda's NPOs. Many organisations struggle to achieve their fundraising objectives, secure essential financial resources, retain qualified personnel for mission-critical roles, and develop the requisite infrastructure to bolster their programs (Arhin, 2016). The current dynamics of the international donor aid architecture significantly impact the survival of NPOs in Uganda, jeopardising their ability to contribute meaningfully and sustainably to the seventeen globally recognised Sustainable Development Goals (SDGs) (Arhin, 2016).

Existing scholarship on the nexus between donor aid fluctuations and NPO sustainability tends to concentrate on a singular narrative, often attributing reduced aid primarily to financial crises (Mawdsley, 2012; Dubochet, 2012; INTRAC, 2014; Kumi, 2017a; Arhin, 2016; Hyndman & McConville, 2016). While financial factors are undoubtedly pivotal in the aid discourse, comprehensive research is urgently needed to investigate these shifts from a broader vantage point, particularly focusing on the intricate interactions and biases that affect NPO sustainability. Additionally, the existing literature has not sufficiently addressed the implications of donor aid shifts on the sustainability of NPOs.

In light of these considerations, a study exploring how changes in the international donor aid landscape have impacted the sustainability of NPOs in Uganda—and how these organisations have adjusted their sustainability strategies in response—becomes imperative.

Purpose of the Study, Research Aims, and Objectives

This explanatory sequential mixed-method study explored a comprehensive analysis of how shifts in the international donor aid architecture impact the sustainability strategies employed by not-for-profit organisations in Uganda. These organisations largely rely on external funding and grants for their operations, making it essential to understand the implications of changes in donor aid—whether positive or negative—on their operational frameworks.

Specifically, this research investigated ways in which variations in donor aid influence decision-making processes, resource allocation, and the overall strategic direction and sustainability of these organisations. By examining both adverse and advantageous shifts in funding, the study uncovered how these changes affect the capabilities of not-for-profit organisations to sustain their programs and initiatives over time.

Furthermore, this study focused on identifying the adaptive strategies and strategic reorientations that not-for-profit organisations employ in response to the dynamic and often unpredictable donor landscape. Through qualitative and quantitative methodologies, the study explored various case studies in Uganda, highlighting best practices and innovative approaches that enable these organisations to navigate challenges and seize opportunities for growth and sustainability. The ultimate goal was to provide actionable insights and recommendations that can bolster the sustainability efforts of not-for-profit organisations in Uganda, ensuring they remain resilient and effective in fulfilling their missions despite fluctuations in funding sources.

Given the role of non-for-profit organisations in Uganda especially the contribution these organisations render in the development agenda of the country, it becomes imperative that the sustainability of their programs and funding be given due attention.

Research Aims and Objectives

The primary aim of this study was to evaluate the impact of shifts in international donor aid on the sustainability of not-for-profit organisations in Uganda. Guided by specific research objectives, the study investigated how these shifts in donor funding influence the sustainability strategies employed by these organisations.

Research Objectives

1. To establish the effects of international donor aid modalities on not-for-profit organisations' sustainability strategies in Uganda.
2. To examine the extent to which international donor aid allocation determinants influence not-for-profit organisations' sustainability strategies in Uganda.
3. To assess the relationship between international donor aid—recipient effectiveness and not-for-profit organisations' sustainability strategies in Uganda.

Nature and Significance of the Study

Nature of the Study

The study employed an explanatory sequential mixed-methods design, following a

two-phase framework to first analyse quantitative data and subsequently inform qualitative inquiry (Creswell & Clark, 2007). This methodological approach enabled a comprehensive examination of how shifts in international donor aid affect the sustainability strategies of not-for-profit organisations in Uganda. An iterative methodology was adopted to integrate insights from international donors and NPO leaders, thereby enriching the statistical evaluation of the research inquiries (Greene & Graham, 1989). Triangulation techniques were applied to assess both consistencies and contradictions, ensuring that the combined quantitative and qualitative data fortified the evidence and provided opportunities for cross-validation (Morse, 1991).

Various methods and techniques were applied, utilising an array of data collection instruments. Key informant interviews were conducted with leaders from a purposively sampled selection of not-for-profit organizations operating in Uganda. These interviews, guided by a semi-structured format, aimed to validate the emerging trends identified in the quantitative phase. Additionally, a questionnaire survey targeted both international and national not-for-profit Organisations in Uganda, facilitating the generation of quantitative data for subsequent analysis. The data from the questionnaires underwent rigorous analysis to address the research questions directly.

The research utilised stratified systematic random sampling to select NPOs within defined strata, informed by a random starting point and a fixed periodic interval. This

sampling methodology ensured a sufficiently robust sample size, enhancing population estimations' accuracy (Mugenda & Mugenda, 2003). The study design reflected the diversity inherent in international and national not-for-profit organisations, encompassing variations in size, focus, and funding sources. This methodological approach is commonly employed by researchers seeking to identify cases that yield rich and pertinent data (Palinkas et al., 2015; Reybold et al., 2012). The organisation of the interviews and questionnaires was meticulously aligned with the study's thematic framework and research questions.

Significance of the Study

NPOs in Uganda

Not-for-profit organisations in Uganda are crucial players in delivering essential services across various sectors, including health, education, humanitarian assistance, and community development. However, these organisations operate within an increasingly volatile funding landscape marked by significant shifts in international donor priorities, funding modalities, and allocation strategies. As a result, the predictability of external funding has decreased, and competition for resources has intensified, compelling NPOs to adapt, innovate, and ensure their sustainability.

This study is significant for NPOs as it investigates the impact of evolving donor aid dynamics on their strategic responses and long-term viability. By exploring the

relationship between donor behaviours and sustainability strategies, the research provides valuable insights into how NPOs can effectively plan, diversify their funding sources, and restructure operational frameworks to withstand external challenges. It emphasises transitioning from dependency models to resilience-focused, internally sustainable practices.

Moreover, the findings equip NPO leaders and managers with evidence-based insights to enhance their strategic decision-making, stakeholder engagement, and policy advocacy efforts. As NPOs face increasing demands to demonstrate accountability and alignment with national initiatives, such as Uganda's Vision 2030 and the Sustainable Development Goals (SDGs), this research strengthens their capacity to meet these expectations effectively.

In a broader context, this study enhances the non-profit sector's role in national development by guiding organisations toward more adaptive, diversified, and strategically coherent operational models. Ultimately, this empowers NPOs to serve their communities more effectively within a rapidly evolving aid landscape.

Government of Uganda

Uganda's significant dependence on external donor funding to offset budget deficits and finance key developmental programs has rendered the nation susceptible to variability

in international aid trends. As donor priorities shift in response to evolving global geopolitical and economic circumstances, the repercussions are increasingly apparent within Uganda's national planning frameworks and the operational viability of not-for-profit organisations (NPOs).

This study holds substantial value for several reasons. Firstly, it offers empirical analysis on how changes in the donor aid landscape—particularly concerning aid modalities, determinants of allocation, and donor-recipient efficacy—impact the strategic sustainability responses of Ugandan NPOs. Considering these organisations' pivotal role in service delivery and their collaboration with government initiatives, a thorough understanding of their adaptive strategies is essential.

Secondly, the research provides crucial insights for policymakers. The findings could inform comprehensive policy evaluations and development planning processes by scrutinising the interplay between donor aid dynamics and organisational sustainability strategies. This is particularly relevant in light of Uganda's commitments to the Sustainable Development Goals (SDGs) and Vision 2030, which prioritise inclusive growth, institutional resilience, and decreased dependency on external aid.

Finally, the study contributes to the broader discourse on aid effectiveness by advocating for data-driven methodologies to facilitate Uganda's transition toward a self-sustaining economic framework. The recommendations derived from this research aim to

assist the government and development partners in formulating more targeted, adaptive, and forward-looking aid strategies, ultimately enhancing the alignment between donor contributions and national development objectives.

Donor Community

The donor community plays a crucial role in shaping Uganda's development trajectory by providing financial and technical support and influencing policy decisions. However, the changing development landscape—characterised by shifting geopolitical interests, donor fatigue, and a growing demand for aid effectiveness—necessitates that donors reevaluate their approaches to structuring, allocating, and measuring aid impact. This study offers essential insights for donors aiming to optimise their engagement strategies in Uganda.

By exploring the interplay between international donor aid dynamics and the sustainability strategies of not-for-profit organisations, the study enables donors to better understand the downstream effects of changes in aid on the institutions with which they collaborate. These insights can guide donors in creating more adaptive, context-sensitive funding mechanisms that align with local realities and foster the long-term sustainability of NPOs instead of promoting short-term dependency. Additionally, the research aids donors in assessing the effectiveness of different aid modalities and their impact on the resilience of recipient institutions. It contributes to ongoing discussions within the

International development community regarding value-for-money, impact measurement, and sustainability beyond the duration of project lifecycles.

In light of Uganda's Vision 2030 and the Sustainable Development Goals, this study assists the donor community in refining its support to align more strategically with national priorities while promoting local ownership and capacity-building. The findings advocate for a more collaborative, transparent, and impact-driven relationship between donors and recipients, contributing to SDGs outcomes in Uganda and beyond.

Research Questions and Hypotheses

The researcher aimed to assess the effects of International Donor Aid Shifts on the Sustainability Strategies of Not-for-Profit Organisations in Uganda.

Research Questions

Four main research questions (RQ) guided this study.

RQ1: What is the relationship between international donor aid modalities and the sustainability strategies of not-for-profit organisations in Uganda?

RQ2: What is the relationship between international donor aid allocation determinants and not-for-profit organisations' sustainability strategies in Uganda?

RQ3: To what extent does international donor aid-recipient effectiveness impact not-for-profit organisations' sustainability strategies in Uganda?

Study Hypotheses

The following relationships were hypothesised based on the research objectives and questions.

1. Relationship Between Donor Aid Modalities and NPOs' Sustainability Strategies

Null Hypothesis (H₀): There is no significant relationship between international donor aid modalities and the sustainability strategies of not-for-profit organisations in Uganda.

Alternative Hypothesis (H₁): There is a significant relationship between international donor aid modalities and the sustainability strategies of not-for-profit organisations in Uganda.

2. Relationship Between Donor Aid Allocation Determinants and NPOs' Sustainability Strategies

Null Hypothesis (H₀): There is no significant relationship between the determinants of international donor aid allocation and the sustainability strategies of not-for-profit organisations in Uganda.

Alternative Hypothesis (H₁): There is a significant relationship between the determinants of international donor aid allocation and the sustainability strategies of not-for-profit organisations in Uganda.

3. Relationship Between Donor Aid, Recipient Effectiveness, and NPOs' Sustainability Strategies

Null Hypothesis (H₀): There is no significant relationship between international donor aid, recipient effectiveness, and the sustainability strategies of not-for-profit organisations in Uganda.

Alternative Hypothesis (H₁): There is a significant relationship between international donor aid, recipient effectiveness, and the sustainability strategies of not-for-profit organisations in Uganda.

CHAPTER 2: LITERATURE REVIEW

Introduction

This chapter presents a comprehensive literature review on the dynamics of shifts in international donor aid and their implications for the sustainability of not-for-profit organisations. It critically evaluates and analyses existing scholarly literature on development assistance, focusing on the phenomena under study. The chapter includes a theoretical framework relevant to the research objectives, synthesising empirical data associated with the study variables.

It delves into key literature addressing the evolution of international donor aid modalities, the determinants impacting donor aid allocation, the effectiveness of aid concerning recipient organisations, and strategies to enhance NPO sustainability. The literature sources examined encompass peer-reviewed journals, academic books, doctoral dissertations, government publications, and scholarly resources from platforms such as Google Scholar and the UNICAF online library. The sources are primarily sourced from the last 15 years, with significant emphasis on the past 5 to 10 years.

In constructing the framework around the primary themes and subthemes, a range of keywords was employed, including foreign aid, donor dynamics, shifts in international donor assistance, NPO sustainability, methodologies of donor aid, efficacy of aid, donor aid architecture, socio-economic and political influences on donor behavior, accountability and

efficiency in aid distribution, dual motivations behind donor aid (both egoistic and altruistic), mechanisms of aid allocation, localisation of donor interventions, donor contracting practices, donor-recipient relationship dynamics, and the historical evolution of aid systems. Keywords such as conditionalities, international donor typology, sustainability strategies, and foundational pillars were also integral in sourcing literature pertinent to the research inquiries.

Theoretical Framework

This section provides an in-depth literature review on the theoretical frameworks surrounding trends in international donor aid and the sustainability of organisations, focusing on various theories, including resource dependency theory (RDT), organisational ecology, strategic management and stakeholder theory and social capital theory. It integrates perspectives from resource dependency theory, organisational ecology, strategic management, stakeholder theory, and social capital to construct a robust framework for the research phenomenon under consideration. The selection of these theories stems from their strong relevance to the significant factors pertaining to the primary research themes, especially regarding the evolving landscape of international donor aid architecture. Each of these theories— resource dependency theory, organisational ecology, strategic management, stakeholder theory, and social capital—contributes valuable insights to the discourse on the sustainability of not-for-profit organisations.

Resource Dependency Theory

The Resource Dependency Theory, as articulated by Pfeffer and Salancik (1978), provides

a comprehensive framework for analysing the interplay between organisational behaviour and external resource dynamics. It underscores the significance of resource importance, concentration, and the influence of external entities on resource allocation as pivotal to comprehending an organisation's external environment and sustainability prospects (Cho & Gillespie, 2006).

This theory posits that entities with control over critical resources wield substantial power, particularly within environments characterised by high dependency. Furthermore, it suggests that organisations positioned within the success zone have the potential to leverage opportunities to bolster their influence over external resource dependencies (Pfeffer, 1981). The theoretical insights elucidate how organisations can endure environmental pressures by capitalising on available opportunities, enhancing competitiveness, positioning, and adaptability to external changes (Porter, 2008; Smith, 2012).

A central tenet of the resource dependency theory is its emphasis on organisational sustainability. It highlights that an organisation's proficiency in acquiring and responding to external resources is vital for its survival and endurance (Aldrich & Pfeffer, 1976; Pfeffer & Salancik, 2003). The theory offers a lens through which to examine intra- and inter-organisational behaviours, encompassing governance and structural decisions to reinforce relevance and sustainability.

Reliance on external resources fundamentally shapes an organisation's governance architecture and internal interactions, influencing critical functions, roles, and competencies.

External environmental pressures necessitate that organisations adopt adaptive strategies designed to attract and retain essential resources vital for success and survival (Pfeffer & Salancik, 2003).

According to the resource dependency framework, organizations are compelled to make strategic choices to navigate resource volatility, thereby enhancing self-sufficiency (Lin & Wang, 2016). For instance, not-for-profit organisations experiencing reductions in external donor funding often confront limited options and must pursue self-sustaining strategies, such as diversifying revenue streams through the creation of independent enterprises (Wardena et al., 2010).

The literature review delves into the concepts of “commercialisation” and “marketisation” within the not-for-profit sector—strategies that have traditionally been linked to the private sector but are now increasingly adopted by not-for-profit organisations to address challenges associated with resource dependency (Moizer & Tracy, 2010; Anheier & Salamon, 2012). In light of the fact that critical resources for organisational sustainability often fall under the governance of external entities, many organisations have opted to establish consortia, alliances, partnerships, and collaborative efforts. This synergy enhances adaptability and sustainability (Guo & Muhittin, 2005; Sowa, 2008).

Linking resource dependency theory to organisational sustainability, Pfeffer and Salancik (1978) articulate that organisations must secure resources to ensure long-term survival and relevance. This necessitates sourcing these resources from the external environment while acknowledging that they compete with other organisations for the same resources, thus

engendering resource competition (Pfeffer & Salancik, 1978). The theory posits that strategies aimed at effective resource acquisition simultaneously heighten an organisation's dependency on its environment and peer organisations, ultimately impacting sustainability outcomes (Davis & Cobb, 2010). As such, adept management of resource dependencies is crucial for organisations striving to meet their sustainability goals (Salamon, 2012).

In their research, Liang and Renneboog (2017) investigate the positive relationship between corporate donations, shareholder wealth, agency inconsistency, charitable contributions, organisational performance, and value creation through the lens of Resource Dependency Theory. Echoing the principles of RDT concerning the sustainability of not-for-profit organisations (NPOs), Lee and Nowell (2015) advocate for a diversified revenue base that includes individuals, corporations, foundations, governments, and commercial activities. They contend that each revenue source carries specific conditions that organisations must adhere to maintain funding relationships, subsequently influencing their sustainability and operational behaviours.

Nevertheless, several counterarguments arise regarding the limited relationship between the study, external funding, and organisational sustainability. The premise is that the dynamics of donor aid modalities and NPO sustainability can be significantly affected by external variables such as local governance and political stability, rather than the aid itself. The theory, however, suffers from the following criticisms;

- The critique that international donor aid might inadvertently create dependency among

NPOs, potentially compromising their long-term sustainability strategies.

- The assertion that the metrics for evaluating the effectiveness of donor aid should diverge from those used to assess NPO sustainability, thereby complicating the ongoing discourse.

Despite these critiques, the theory remains pertinent, and its relevance has been amplified through the integration of institutional theory and transaction cost economics. It continues to function as a core theoretical foundation in discussions on external resource dependency, organisational behaviour, and sustainability—an area of particular significance for this study, which examines the sustainability strategies employed by NPOs in response to fluctuations in the international donor aid landscape.

Organisational Ecology

Survival constitutes a central theme in the literature on organisational ecology, where the persistence of organisations is viewed as a direct outcome of natural selection mechanisms. As delineated by Hannan and Freeman (1989) and further developed by Potter and Crawford (2008), the natural selection framework suggests that organisations possess a limited capacity to modify their internal structures in response to changing environmental contexts. As such, their survival prospects are contingent upon their ability to align and adapt to particular ecological niches effectively.

Scholars in organisational ecology aim to elucidate the complex interplay between social conditions and the dynamics governing organisational emergence and extinction. Their research

focuses on the rates of new organisational forms' inception, the mechanisms underlying organisational transformation, and the factors contributing to the discontinuation of both organisations and their associated forms (Hannan & Freeman, 1989). This discipline examines organisational populations' structural and demographic features that are selectively favoured and sustained through evolutionary processes.

Traditionally, organisational ecology has underscored the notion of organisational inertia, indicating a tendency to resist change. In this view, natural selection emerges as the dominant mechanism engendering social transformation, positing that key determinants of organisational survival are closely linked to the congruence between environmental constraints and the organisational forms adopted. As articulated by Hannan and Freeman (1989), this perspective implies that an organisation's success is inherently tied to its adaptability to these external pressures.

This model prompts significant inquiries regarding the essence of sustainability within organisational contexts. If sustainability were merely about successfully navigating the natural selection process, one could contend that many organisations in Uganda would have long ceased to function due to their inability to adapt to their environments. Furthermore, the organisational ecology framework often restricts the concept of sustainable management to the identification and preservation of a unique organisational niche. Such a narrow view can obscure other critical elements that enhance an organisation's resilience and adaptability in a rapidly transforming

landscape.

In conclusion, although the organisational ecology perspective offers valuable insights into survival mechanisms influenced by natural selection, it also calls for a more expansive examination of sustainability that includes niche identification and proactive strategies for adaptation and resilience in the face of evolving environmental challenges.

From the viewpoint of this study, organisational ecology, particularly in the realm of environmental fit, serves as a potent metaphor for elucidating the evolution of funding ecosystems. Many organisations are misaligned with these new niche requirements as donor priorities transition from unrestricted institutional support to project-based or impact-driven funding. This theory emphasises that even historically significant not-for-profits may encounter difficulties if their organisational structures fail to adapt to these changes. It underscores the importance of population-level trends and the "fitness" of organisational forms rather than solely focusing on individual agency.

However, the theory's inherent inertia assumption underestimates organisational learning and adaptability potential. Empirical evidence from nonprofits responding to changing donor expectations—such as diversifying revenue streams, embracing digital transformation, or reconfiguring their programmatic focus—demonstrates that many organisations exhibit a higher degree of strategic responsiveness than the theory posits. Additionally, equating survival with success can be misleading; numerous organisations persist despite experiencing mission drift or

diminishing relevance in their communities. The framework also tends to overlook internal agency, leadership, and innovation, which are crucial in nonprofits and must often demonstrate creativity and social value to retain donor engagement.

While the organisational ecology framework adeptly diagnoses the decline of certain organisational forms within evolving donor landscapes, it offers limited insights into how to sustain or adapt these forms. Its deterministic viewpoint constrains its applicability to the nonprofit sector, which is actively seeking sustainability avenues through innovation and hybrid funding models.

Strategic Management and Stakeholder Theory

The strategic management framework offers a profound understanding of how organisations navigate environmental complexities by leveraging opportunities, reinforcing their competitive stance (Porter, 2008), and adapting to dynamic conditions (Smith, 2012). It posits that organisational survival is primarily a result of deliberate strategic choices made by management (Koteen, 1997; McDonald, 2007; Varbanova, 2013; Werawardena et al., 2010).

A pivotal element of this framework is stakeholder theory (Freeman, 1984), which underpins strategic decision-making by integrating public interests into the corporate agenda (Soriano et al., 2011). This theory posits that stakeholder entities and individuals affected by, or having an effect on, a company's operations are essential to an organisation's legitimacy. It advocates for the convergence of economic objectives with the broader social goals of its

stakeholders (Freeman, 1984). This integration of ideas is manifest in sustainability research through the triple bottom line (TBL) framework, which encompasses social, environmental, and financial responsibilities in conjunction with profitability (Paulraj, 2011; Schaltegger et al., 2014; Stead & Stead, 2013; Thomas & Lamm, 2012).

Stakeholder theory also underscores the normative dimension of stakeholder interaction, asserting the intrinsic value of all stakeholder groups (Donaldson & Preston, 1995; Parmar et al., 2010). The theory conceptualises organisations as intricate networks of relationships shaped by various internal and external influences, emphasising that an organisation's success is contingent upon effectively addressing the needs and expectations of its stakeholders (Soriano et al., 2011; Garvare & Johansson, 2010).

In public and not-for-profit sectors, stakeholders are critical in determining organisational performance and viability (Alexander, 2000; Bryson, 2004b). An in-depth understanding of stakeholder needs is instrumental in enabling organisations to effectively generate social value and fulfil their mandates (Bryson 2004a, b; Moore, 2000). Nonprofit organisations, in particular, must devise strategies aligning with stakeholder interests to achieve sustainability and operational effectiveness (Bryson et al., 2001). Moreover, adept management of stakeholder relationships significantly influences financial performance, especially for organisations dependent on multiple funding sources (Hsieh, 2010).

There is a propensity among public and nonprofit organisations to adopt strategic

management frameworks from the private sector, which may impede their mission-centric effectiveness (Frumkin & Andre-Clark, 2000; McDonald, 2007). The distinct contexts in which not-for-profits operate render generic for-profit theories inapplicable (Werawardena et al., 2010). Additionally, the New Public Management (NPM) paradigm often emphasises short-term efficiency at the expense of long-term sustainability, creating potential challenges for enduring viability (Bansal & DesJardine, 2014). This short-sighted focus risks undermining the self-sustainability of public service institutions (Osborne et al., 2014).

Literature on corporate foresight underscores the necessity of long-term strategic management, positing that organisations must adapt to dynamic social, technological, and market landscapes to secure sustainable outcomes (Daheim & Uerz, 2008; Ruff, 2006; Van der Heijden, 2004). It typically advocates for strategic planning horizons of 10 to 20 years, acknowledging the inherent investment risks and the complexities of forecasting consumer behaviour beyond such timelines (Daheim & Uerz, 2008; Ruff, 2006). Within the context of public sector foresight, a strong emphasis on long-term strategic thinking is essential for fostering innovation and executing effective change (Karp & Heglo, 2008; Martin & Johnston, 1999; Rotmans et al., 2001; Vecchiato & Roveda, 2014; Walther et al., 2016). Foresight is approached as a systematic methodology for aggregating future intelligence and developing a medium- to long-term vision that guides present-day decision-making (Renn & Thomas, 2002). However, discourse often converges around a definition of "long-term" that generally extends to approximately 25 years (Martin & Johnston,

1999; Rotmans et al., 2001).

The foresight literature advocates a process-oriented framework for managing sustainability; however, it inadequately addresses the concept of intergenerational sustainability. For public service organisations committed to generating social value, mere organisational survival is insufficient (Bozeman, 2007; Moore, 2000; Osborne et al., 2014). Nonprofit entities bear the responsibility of fostering and safeguarding life for subsequent generations, framing survival as merely the foundational step toward achieving true sustainability (Moldavanova, 2014). This perspective enables these organisations to consistently deliver social value and mitigate the pitfalls of short-termism prevalent in strategic management practices (Bansal & DesJardine, 2014).

Building on the insights from prior analyses and acknowledging existing theoretical frameworks' prevailing strengths and thematic limitations, this study posits that scholars should transcend the narrow focus on organisational survival and stakeholder satisfaction. A more holistic process-oriented approach to sustainable management—one that prioritises future generational considerations and aims to secure the viability of organisations both today and in the future—presents a promising avenue for theoretical advancement (Bansal & DesJardine, 2014; Moldavanova, 2014; Osborne, 2014). Furthermore, a sustainable trajectory must encompass an organisation's internal capabilities and its external social networks, both of which play critical roles in holistic sustainability. The integration of social capital theories emphasises the significance of these social connections within the organisational sustainability discourse.

Conversely, the infusion of commercial strategies within nonprofit contexts has attracted scrutiny, particularly concerning the evaluation of NPOs. Such organisations often resist assessments grounded solely in efficiency or return on investment metrics, which can obscure their contributions' intangible and enduring value. Moreover, the expansive nature of stakeholder theory can prove unwieldy in resource-constrained environments, as balancing donor expectations, community needs, organisational integrity, and long-term sustainability presents a formidable challenge.

To effectively promote sustainability, strategic management should pivot towards adaptive and relational frameworks that deemphasise traditional notions of competitive advantage in favour of co-creating value with stakeholders over extended timeframes. Adopting foresight, resilience thinking, and participatory strategies can effectively counteract short-term orientations while preserving mission coherence in an increasingly market-driven funding landscape.

Furthermore, the persistent pressure of short-termism represents a critical concern, particularly during competitive grant cycles that demand rapid demonstrations of impact. This focus on immediate outcomes can threaten intergenerational sustainability, especially for NPOs whose missions extend beyond the confines of fiscal quarters.

Social Capital Theory

Social capital has emerged as a focal point of scholarly inquiry in sustainability literature, underscoring its pivotal role across various levels—individual, community, and policy (Bridger &

Luloff, 2001; Edwards & Onyx, 2007; Woolcock & Aryan, 2000). Bourdieu defines social capital as "the aggregate of the actual or potential resources tied to the possession of a lasting network of more or less institutionalised relationships of mutual acquaintances and recognition," essentially framing it as membership within a group (Bourdieu, 1986).

Social capital is increasingly recognised as crucial for fostering collaboration, collective problem-solving, and supportive community interactions (Putnam, 2001). Further, it is conceptualised as the norms and networks that facilitate collective actions (Woolcock & Narayan, 2000), thus enabling individuals to leverage their social networks and communal frameworks for various advantages (Portes, 1998). From a policy perspective, robust networks contribute to more effective collaboration, improved service delivery, and heightened responsiveness to client needs (Agranoff, 2005; Provan & Milward, 2001).

Beyond community and policy implications, social capital is vital for organisations' self-sustainability. An increasing body of literature has focused on organisational social capital instead of solely individual or policy levels (Schneider, 2007, 2009; Passey & Lyons, 2006). Schneider defines organisational social capital as "the established, trust-based networks among organisations or communities that support a specific nonprofit organisation, which can be leveraged to advance its objectives" (Schneider, 2009).

While closely aligned with individual social capital, organisational social capital presents unique characteristics. Unlike individual social capital—which is dependent primarily on personal relationships among board members and employees—an organisation’s social capital is shaped by its historical context, accumulated institutional knowledge, and its reputation, which evolves through both formal and informal long-term interactions with other entities (Schneider, 2009). Furthermore, it is important to differentiate organisational social capital from partnerships and collaborations, which are often oriented toward achieving specific goals such as responding to institutional pressures, securing essential resources, gaining stakeholder legitimacy, and enhancing competitive positioning (Guo & Acar, 2005; Sowa, 2008). Therefore, not all partnerships and collaborations naturally culminate in enduring organisational social capital.

Drawing from established research on social capital (Bourdieu, 1986; Portes, 1998; Putnam, 2001; Woolcock & Narayan, 2000), organisational social connectedness is recognised as a critical form of social capital necessary for organisational survival and long-term viability (Schneider, 2009). This dimension enriches organisational resources, fortifies stakeholder relationships, and promotes community engagement, ultimately underpinning sustainable practices.

Social capital is pivotal and distinctive in sustainable discourse, shifting the emphasis from conventional resource allocation and strategic frameworks to the importance of relational dynamics and trust. Within not-for-profit organisations, which depend heavily on

reputation, collaborative efforts, and community involvement, organisational social capital (OSC) is often more resilient and persistent than financial resources. OSC facilitates NPOs in navigating fiscal constraints by mobilising community support, leveraging extensive networks, and sustaining visibility through strategic coalitions and partnerships.

Crucially, OSC embodies the principle of embeddedness, suggesting that organisations do not function in isolation; their viability is frequently contingent on their integration within their communities' social and cultural milieu. This inherent interconnectedness profoundly influences donor relationships, as funders are more inclined to support organisations that exhibit a substantive presence and impact within their local landscapes.

While the advantages of social capital are manifold, challenges arise in its measurement and operationalisation. Unlike quantifiable resources or strategic models, relationships and reputations are inherently intangible, necessitating considerable time and effort for their development. Furthermore, social capital can be exclusionary; established organisations may benefit from exclusive access to tightly-knit networks that emerging or marginalised entities find difficult to penetrate.

Despite these complexities, OSC offers a longitudinal, process-focused framework for sustainability that enriches and expands existing sustainability paradigms. For NPOs in Uganda, the cultivation and maintenance of social capital may emerge as the most critical determinant of

resilience. Fostering lasting relationships with donors, stakeholders, peer organisations, and community partners enhances survival prospects and reinforces legitimacy and relevance within the community, core components of mission-driven sustainability.

Integrative Summary of the Theories

Each theoretical lens offers valuable insights into the sustainability of not-for-profit organisations as they navigate an increasingly complex and evolving donor landscape.

Organisational ecology provides a framework for understanding the structural threats that NPOs face, particularly the misalignment between their services and the niches they occupy within the community. This perspective highlights the challenges of maintaining relevance in a swiftly changing environment, as organisations may struggle to adapt their missions to meet the shifting demands and expectations of donors and beneficiaries. However, a limitation of organisational ecology is its lack of prescriptive tools that empower these organisations to take agency and adapt proactively to their circumstances.

Resource dependency theory sheds light on the financial volatility that defines the NPO sector, emphasising how organisations must strategically respond to fluctuations in funding and support. This theory illustrates the crucial relationships between NPOs and their funding sources, underscoring the need for diversification and strategic partnerships. Nevertheless, it may overlook

the significance of developing reciprocal relationships with donors, where engagement is transactional and built on mutual trust and innovation that aligns with the organisation's mission.

Strategic management and stakeholder theory provide insights into the importance of agency, strategic planning, and responsiveness within NPOs. These theories advocate for a forward-thinking approach, encouraging organisations to proactively address stakeholder needs. However, there is a risk that NPOs may inadvertently fall into the trap of short-termism, prioritising immediate results over long-term sustainability and mission adherence, thereby leading to a drift away from their core values. Meanwhile, social capital theory focuses on the value of relational embeddedness and the resilience of strong community ties. It emphasises the importance of networks and relationships in enhancing an organisation's effectiveness. However, its application must broaden to ensure accessibility and inclusivity, allowing diverse voices to contribute to and benefit from these community connections.

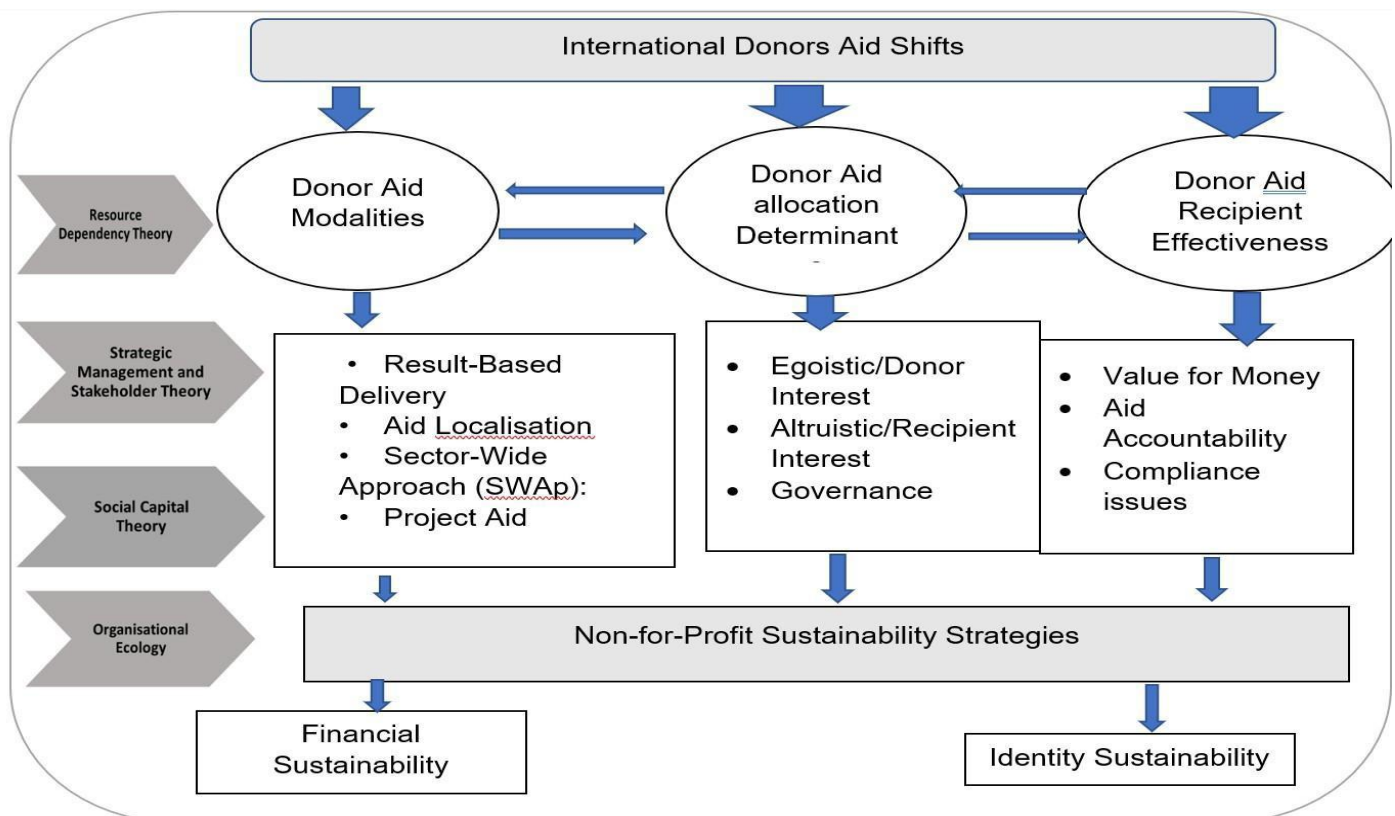
When synthesising these various perspectives, it becomes clear that not-for-profit organisations can significantly enhance their long-term sustainability by adapting to the evolving dynamics of donor relationships and actively co-shaping those changes. This can be achieved through cultivating relational trust, building community legitimacy, and embracing an intergenerational vision that looks to the organisation's future and its impact on society. By integrating these theoretical insights, NPOs have the potential to develop comprehensive strategies that capitalise on their strengths. This approach enables them to design innovative products and

services that respond effectively to changes in the external environment and safeguard their sustainability and long-term existence within the community. Through this lens of integrated strategy, NPOs can aspire to create enduring value that aligns with their missions while navigating the complexities of modern funding landscapes.

The following conceptual framework draws upon four interrelated theoretical perspectives—resource Dependency Theory, organisational ecology, Strategic Management Theory, and Social Capital Theory—to understand how NPOs navigate and respond to these changes.

Figure 1

Study Theoretical and Conceptual Framework



Resource Dependency Theory posits that NPOs rely on external actors for vital resources and must develop strategies to manage these dependencies while minimising donor influence. In contrast, Organisational Ecology emphasises structural inertia and environmental selection, arguing that not all organisations can adapt to rapid changes, and survival often lies beyond managerial control. The Strategic Management Theory, on the other hand, presents a more agency-driven approach, underscoring the significance of strategic planning, diversification, and leveraging internal capabilities to achieve resilience. Social Capital Theory highlights the importance of trust, networks, and relational assets in accessing resources and enhancing legitimacy.

These theories converge on the central premise that external environments significantly influence organisational sustainability. However, they differ in their perspectives on an organisation's capacity for change. RDT and Strategic Management view NPOs as adaptable, while Organisational Ecology suggests there are limits to adaptability. Social Capital Theory mediates this divergence by recognising that relationships can foster flexibility, even in the face of structural inertia.

The shifts in donor aid highlighted in the theoretical framework are closely tied to these theories, as donors fundamentally hold the resources that not-for-profit organisations (NPOs) rely on for sustainability and, consequently, are under their control (Nienhüser, 2017). This ownership of resources grants donors significant power to modify priorities and approaches in the modalities

and allocation of aid, allowing them to impose terms that directly influence the effectiveness of NPOs/recipients. This, in turn, directly impacts the sustainability of the NPOs (Habraken et al., 2017).

The situation places not-for-profit organisations in heightened competition, compelling them to align their infrastructure to meet donor aid demands (Pape et al., 2020). Additionally, the conceptual framework indicates that the essence of organisational sustainability stems from a direct interaction and ongoing exchange among the variables influencing aid modalities, allocation determinants, and the effectiveness of aid recipients (Burnard & Bhamra, 2019).

Many leaders in not-for-profit organisations have gained valuable insights from these theories, which informs their decisions concerning funding sources and the implementation of sustainability strategies (Lin & Wang, 2016; Kearns et al., 2012). Further studies have shown that decisions made by these leaders of NPOs regarding the diversification of funding sources are closely tied to the principles of the theories anchored in this conceptual framework. In particular, organisational sustainability hinges on the capacity of these organisations and their leaders to attract and align funding with their missions and long-term sustainability strategies (Prentice, 2015; Shea & Hamilton, 2015).

Thus, this framework offers a multidimensional lens to examine how NGOs sustain themselves amidst donor volatility, focusing on dependency management, strategic repositioning, and leveraging social ties. These perspectives provide a robust foundation for exploring adaptive

strategies that support long-term organisational sustainability.

Field/ Industry Description

Recognising the diverse typology of not-for-profit organisations, this study focuses on those that are professionalised and intentionally integrated into the international donor aid framework. The analysis is informed by the specific characteristics outlined by Anheier (2003), which include: formal recognition with established governance structures and operational continuity; functioning independently from government entities, even while receiving governmental support; maintaining a not-for-profit status, thereby ensuring that no financial surpluses are allocated to owners or directors; and exhibiting self-governance that underscores their autonomy and management capacity, alongside elements of voluntary engagement and participatory governance.

The concentration on formally professionalised NPOs—both in structural and operational aspects—is driven by research inquiries that address donor roles, their collaboration preferences with these globally connected organisations, and the reporting requirements that create incentives for compliance (Pfeiffer, 2004; Kamstra & Schulpen, 2015). This focus facilitates a deeper understanding of the dynamics between donors and NPOs within the international aid ecosystem.

At the global level, there is a significant consensus across various literature, commentaries, and discussions indicating that the architecture of development, the principles of donor aid, and the dynamics of global poverty have experienced remarkable transformations (OECD, 2018; Front,

2009). These shifts have profound implications for Not-for-Profit Organisations worldwide, as notable political reforms restrict their operational space and economic changes facilitate the transition of previously impoverished nations to lower-middle-income status (Arhin, 2016; Hyndman & McConville, 2016). While many countries are grappling with unprecedented income inequality, there is a visible emergence of a new class of the wealthy and middle-class individuals even in contexts marked by severe inequality (Marinkovic, 2014; WACSI, 2015; INTRAC, 2014; CIVICUS, 2014). Additionally, world leaders have evolved beyond the Millennium Development Goals (MDGs) to establish what is now referred to as the Sustainable Development Goals (SDGs), paving the way for accelerated socioeconomic development (WASCI, 2015).

Historically, donor aid has served as a crucial funding source for various governments and not-for-profit organisations in developing countries, with the largest portion of disbursements directed toward education, health, livelihoods, and public interventions (AbouAssi, 2013). Analysing donor aid disbursements from as early as the 1960s reveals a significant increase in aid flowing from developed to developing countries, rising from \$36 billion in 1960 to \$58 billion in 1980, \$72 billion in 2010, and reaching \$144 billion in 2017 (OECD, 2017). In terms of donor aid allocation, the not-for-profit sector also receives substantial support. The OECD's Development Assistance Committee (2018) reported that the not-for-profit sector accounted for 15% of bilateral official development aid. This trend of increasing aid directed to the not-for-profit sector continues, as highlighted in the 2017 Global Humanitarian Assistance Report, which found that

disbursements to the not-for-profit sector comprised 37% of humanitarian aid funding (Aldashev & Navarra, 2018; Development Initiatives, 2017).

Developed national governments play a central role in the international donor aid landscape and are recognised as the most significant single financial contributors to not-for-profit organisations (NPOs). For example, when assessing donor aid disbursements, it was reported that the National Government's aid contribution for 2004 reached \$87.7 billion globally, with the United States accounting for a significant portion of \$19.7 billion (OECD, 2006; World Bank, 2006). A noteworthy share of this aid was allocated to NPOs, which serve as conduits for delivering assistance to final recipients. Specifically, the United States disbursed nearly 15% of its economic aid through not-for-profit organisations. In comparison, an impressive 18% of US aid was funnelled through intergovernmental and multilateral donors like the World Bank and United Nations, which subsequently directed even more funding through NPOs (USAID, 2006; OECD, 2006). It is important to emphasise that NPOs have historically been reliant on and recipients of international donor aid. According to the USAID report, funding from the government channelled through NPOs constituted 25% of government funding (USAID, 2006).

When examining global donor aid trends, data on official development assistance (ODA) shows an upward trajectory in donor funding (AbouAssi, 2013). Despite a series of global challenges, including the COVID-19 pandemic, financial crises, and political conflicts among central aid-dispensing governments, Official Development Assistance from official donors

reached an all-time high of USD 178.9 billion in 2021. This marks a 4.4% increase from 2020, as developed countries intensified their efforts to assist developing nations facing the crises of COVID-19, conflict, and climate change (OECD, 2021).

In 2021, ODA contributions from members of the OECD's Development Assistance Committee (DAC) included USD 6.3 billion allocated explicitly to addressing the COVID-19 crisis through providing vaccines to developing countries, accounting for 3.5% of total ODA (OECD, 2021). Even without accounting for donations in the form of COVID-19 vaccinations, it is notable that ODA increased by 0.6% in real terms compared to 2020 (OECD, 2021). Further analysis by the OECD (2021) indicates that the total ODA funding in 2021 was equivalent to 0.33% of DAC donors' combined gross national income (GNI). However, this remains below the UN target of 0.7% ODA to GNI. Of the total USD 178.9 billion, humanitarian aid accounted for USD 18.8 billion, demonstrating that not-for-profit organisations receive significant donor aid from ODA (OECD, 2021).

The global financial crisis that struck around 2008 profoundly impacted countries in Europe and America. This period also saw the rise of coalitions like BRICS (Brazil, Russia, India, China, and South Africa) and economic groups such as MINT (Mexico, Indonesia, Nigeria, and Turkey). These developments have introduced new giving and private philanthropy methods, significantly influencing funding patterns for not-for-profit organisations worldwide (WASCI, 2015). Furthermore, factors such as technological advancements, shifts in economic and

geopolitical politics, a global rise in inflation, climate change, and the COVID-19 pandemic have further complicated the sustainability landscape for NPOs around the globe (WASCI, 2015; OECD, 2021).

Collaborative literature underscores the significant role that developed nations have played in providing humanitarian aid to developing countries, particularly in response to emerging needs. Since the 1960s, following the wave of independence across Africa from colonial powers, these nations have significantly augmented their aid efforts (Appel & Pallas, 2018; Lim & Prakash, 2015). The principal motivations behind the escalation in donations stem from a desire to incentivise African governments to implement effective development planning and establish policies conducive to industrial growth (Round & Matthew, 2003).

The 1970s marked a strategic pivot in aid focus towards funding initiatives aimed at poverty alleviation in rural communities, aiming to bridge the socio-economic gap between affluent and impoverished populations (Ngwanya et al., 2006). As these poverty alleviation programs gained traction, the following decade witnessed a critical re-evaluation of aid paradigms, largely in response to Africa's economic crisis, which precipitated mounting debt and defaults by several nations. This context compelled donor agencies to reassess their funding strategies and investigate the stagnation in economic advancement across many African states (Round & Matthew, 2003). By the 1990s, in light of unsatisfactory economic progress in the developing world, donor agencies recalibrated their focus to prioritise poverty alleviation and improving the

socio-economic conditions of the most vulnerable households, thereby embedding these issues at the core of the development agenda (Adedeji, 2001; Ngwanyama et al., 2006).

Specifically, Uganda's national strategy has heavily relied on foreign aid to catalyse economic growth (Bwire et al., 2017; Kasirye & Lakal, 2019). The introduction of the Poverty Eradication Action Plan (PEAP) in 1997 reflected a strategic shift by the Ugandan government to enhance the coordination, integration, and consolidation of donor aid. PEAP facilitated the amalgamation of national development plans and strategies into a cohesive framework for public investment and donor alignment (Uganda, 2005).

Donor recognition of these initiatives underscores Uganda's commitment to effectively streamlining aid allocation. The proposed strategies aim to foster efficiencies, mitigate transaction costs, and rectify issues related to duplication and fragmented implementation of donor interventions (Riddell & Niño-Zarazúa, 2016; Acharya et al., 2006). In light of Uganda's proactive measures to revitalise donor engagement, specific donor-initiated reforms favouring the nation, notably, Uganda was the inaugural beneficiary of debt alleviation under the Heavily Indebted Poor Countries (HIPC) Initiative, alongside access to the Poverty Reduction and Growth Trust Fund from the Bretton Woods Institutions and the World Bank. These initiatives further reinforced Uganda's execution of the PEAP (Habraken et al., 2017; Nkusu, 2004; Bwire et al., 2017).

Uganda experienced an unprecedented influx of donor support, highlighted by several donors signing the Uganda Joint Assistance Strategy (2005-2009) in 2006, including Germany,

the Netherlands, and the UK. However, a year after this agreement and the adoption of the Paris Declaration, Uganda's donor aid activities faced significant challenges due to a questionable political environment and constitutional changes (Habraken et al., 2017). The amendment to the constitution, which allowed the President to remove political term limits, was perceived by many donors as a violation of human rights. As a result, several of them moved to reverse budget support, suspend aid, and substantially reduce their assistance to Uganda (Nunnenkamp et al., 2016; Habraken et al., 2017). Furthermore, Uganda's aid landscape encountered additional difficulties when, during a donor Consultative Group Meeting in 2003, the Government of Uganda (GOU) was labelled as a country grappling with significant corruption. This designation triggered notable responses from donors, including Ireland and Norway, who reduced their budget support by over 25% (Tangri & Mwenda, 2006; Barr & Owens, 2005).

It is important to note that while some donors took a firm stance to cut aid to the Government of Uganda (GOU), others, such as the United States, European Union, Belgium, and the United Kingdom, continued their support. They did this to leverage Uganda's military role in the African Union peacekeeping force in Somalia and protect their trade interests in Central Africa (DFID, 2014; Habraken et al., 2017). However, the differing approaches within the donor community did not alleviate the pressure on the GOU. Instead, various human rights organisations intensified their efforts, leading the Ugandan government to concede to demands and allow a referendum on multiparty politics (Kasirye & Lakal, 2019; Degnan & Anita, 2019; Habraken et

al., 2017). Although donor pressure for reforms in Uganda was increasing, the divergent views among donors—stemming from their varied perceptions, levels of engagement, and interactions with the political landscape—ultimately led to a unified approach that could have compelled the GOU to prioritise improvements in institutional quality (Kasirye & Lakal, 2019; Barr & Owens, 2005).

The shifts in Uganda's policy framework and the evolving donor aid landscape significantly affected the country's Not-for-Profit organisations. On one hand, donors began directing humanitarian assistance through NPOs, facilitating their growth. On the other hand, some donors deprioritised their aid allocations to Uganda, jeopardising the existence of these organisations (Habraken et al., 2017). A notable example of positive policy support for NPOs is the Government of Uganda's Settlement Transformation Agenda (STA), part of the Uganda National Development Plan (NDP II 2016-2020). This agenda acknowledged the pressures that prolonged displacements placed on host communities' resources and emphasised the need to develop infrastructure, improve livelihoods, enhance education, promote peaceful coexistence, and protect the environment (Government of Uganda, 2016).

The settlement agenda, closely aligned with the nation's 2030 Agenda for Sustainable Development and its pivotal principle of 'leave no one behind,' has spurred the growth of not-for-profit organisations (NPOs) in response to the escalating humanitarian needs driven by the influx of refugees into the country (United Nations, 2015). Uganda is globally recognised for its

progressive refugee policies, particularly under the Comprehensive Refugee Response Framework (CRRF), which was introduced in March 2017 (UNHCR, 2017). This framework has established Uganda as a preferred destination for nearly 1.4 million refugees from neighbouring countries such as Sudan, Burundi, the Democratic Republic of the Congo, and Somalia, earning Uganda the distinction of being the top African host nation for refugees (Degnan & Anita, 2019). To mobilize donor support in light of the growing needs exacerbated by this refugee influx, Uganda launched a humanitarian appeal that successfully led to an increase in International Humanitarian Assistance (IHA), which more than doubled from US \$154 million to US \$346 million within just two years (Degnan & Anita, 2019).

Due to the government's commitment to donor aid accountability and coordination, the Government of Uganda (GOU) mandated humanitarian actors to distribute support across various development sectors. In 2014, the GOU established the Aid Management Platform (AMP) under the Ministry of Finance, Planning, and Economic Development (MoFPED) to oversee donor aid and ensure a cohesive relationship between spending patterns and their impact (Government of Uganda, 2016). In response to advocacy from humanitarian actors urging the GOU to increase funding for pressing humanitarian needs, the government established a contingency fund in 2015, as outlined in Section 26 of the Public Finance Management Act (PFMA) (Degnan & Anita, 2019; Government of Uganda, 2016). This Act stipulated that 0.5% of the previous financial year's national budget be allocated to the contingency fund, with 85% earmarked for disaster response

financing (Government of Uganda, 2016). Since 2016, the GOU has set aside nearly 80 billion Ugandan Shillings for humanitarian assistance. However, the criteria for accessing these funds by not-for-profit organisations (NPOs) and other national entities remain unclear and challenging to navigate due to a lack of clear guidelines and established criteria (Degnan & Anita, 2019; GOU, 2016).

The discussion above highlights that donor aid and the humanitarian landscape in Uganda extend beyond the mere hosting of approximately 1.5 million refugees. It encompasses food assistance in drought-prone regions such as Karamoja and addresses the inherent risks of disease outbreaks, including cholera, measles, and malaria, among other concerns (Development Initiatives, 2018). This context has led to the registration of over 40,000 non-governmental organisations (NGOs) with the National Bureau of NGOs, many of which focus on advocacy and good governance issues (Development Initiatives, 2018). In response to the activism of NGOs, often critical of government governance systems and accountability, the Government of Uganda (GOU) implemented stringent measures to limit and scrutinise the operational space of not-for-profit Organisations (NPOs) (Furukawa, 2020; Tebetso et al., 2020). The 2016 NGOs Act established rigorous registration processes for NPOs, requiring them to declare their funding sources and submit annual returns, work plans, and budgets for approval by the NGO Bureau (Ministry of Internal Affairs, NGO Bureau, 2016). These conditions imposed by the GOU have prompted donors to adopt a more conservative and cautious approach in determining and allocating

aid to NPOs in Uganda, thereby leading to sustainability challenges for these organisations.

International Donor Aid Modalities

The discourse surrounding donor aid modalities continues to grapple with definitional challenges, primarily due to the absence of consensus on standardised terminology. A prevailing theme in the literature is the frequent association of aid modality with foreign aid, which involves the transfer of financial resources, goods, and expertise from developed to developing nations (Foster & Leavy, 2001). The construct of donor aid modality can be analytically separated into various instruments, forms, and tools, determining funding allocation to recipient countries and delineating the nature of interactions between donors and recipients (Lavergne & Anneli, 2003). It is essential to underscore that aid modalities play a critical role in shaping the dynamics of aid relationships, influencing the conditions tied to assistance and the strategies deployed to meet the developmental needs of recipient countries (Lavergne & Anneli, 2003; Foster & Leavy, 2001; World Bank, 2007, 2011a).

The genesis of new aid modalities can be traced back to the 1990s, marked by a significant expansion of frameworks such as General Budget Support (GBS), Sector Budget Support (SBS), and Pooling Fund arrangements under the Sector-Wide Approach (SWAp). Other significant frameworks that surfaced during this era include the Poverty Reduction Strategy Paper (PRSP), the Performance Assessment Framework (PAF), and the Medium-Term Expenditure Framework (MTEF) (Frantz, 2004; Netherlands MOFA, 2003). These modalities partially emerged to rectify

shortfalls in prior donor practices, particularly the limitations inherent in isolated projects. Furthermore, they represented a strategic response to the evolving landscape of donor aid, which necessitated the consideration of reductions in foreign aid and the exploration of alternative modalities. Scholars have advocated reassessment of ‘donor-recipient’ relationships in light of these developments (Tilley et al., 2013; Andrews, 2013; Booth, 2012; Unsworth, 2010). This call underscores the necessity of critically evaluating the risks associated with direct funding of development interventions (Booth, 2012; Unsworth, 2010) and aims to ease the burden on aid recipients by gradually implementing strategic and operational frameworks that promise sustainable outcomes.

At the heart of the discourse surrounding donors' aid modalities are several approaches and instruments that have gained prominence due to their perceived advantages. However, donor aid reform should be based on an experimental approach, emphasising a learning-by-doing methodology. This flexibility would allow these reforms to be informed by the test of time and ensure the necessary support for long-term commitments (World Bank, 2012; World Bank, 2011a; World Economic Forum, 2013). Growing evidence from various studies, including one from a UK independent evaluation in 2012, strongly suggests that financial donor aid directed toward public service interventions via budget support modalities not only sharpens the focus of aid but also leads to increased spending on poverty alleviation and essential services, benefiting both Not-for-profit Organizations and public services (ICAI, 2012).

Further evidence indicates that approaches such as cash on delivery (COD), payment by results (PBR), pooled funding strategies, sector-wide approaches (SWAPs), and ‘arm’s length’ donor aid modalities provide recipient countries and not-for-profit organisations with the flexibility needed to implement transformative interventions. These modalities offer donors greater assurance, enhance fiduciary responsibility and accountability, improve risk management, and create efficiencies through reduced donor aid transaction costs. Additionally, they facilitate institutional change by promoting more adaptive and locally relevant approaches (Birdsall et al., 2010; World Bank, 2012; World Bank, 2011; Booth, 2013).

Definition and Scope of Aid Modalities

In order to provide a comprehensive understanding of the research questions posed in this study, it is essential to conduct a literature review that concentrates on significant and frequently utilised donor aid modalities. These modalities encompass various approaches and strategies that vary in implementation and effectiveness. Therefore, this review will critically examine the most relevant donor aid modalities, highlighting their characteristics, mechanisms of support, and how they relate to the specific research inquiries addressed in this study. By exploring these key modalities in detail, the study can better understand their impact and applicability within the context of donor assistance.

****Project Aid:** This donor aid modality focuses on financing activities illustrating a change path. It emphasises the correlation and connection between project inputs, outputs, and outcomes within clearly defined objectives, budgets, and timelines. Before implementation, specific areas of intervention are identified and agreed upon with the donor, linking funds to these objectives and targeted intervention areas.

Budget Support: This donor aid modality allocates funds based on the partner government's existing allocation and accounting systems. The applicable donor aid conditionalities are tied to policy frameworks and national growth parameters, such as poverty reduction, fiscal alignment, and system strengthening, particularly in budgetary processes. This includes General Budget Support (GBS) and Sector Budget Support (SBS).

Pooling Funds: This donor aid modality involves consolidating funds into a recipient's account, where the recipient organisation or government determines and allocates the funds to partners and sub-recipients. This allocation is carried out using standard budgeting procedures that align with the project's defined outcomes in the intervention sector.

Sector-Wide Approach: While not strictly classified as donor aid, this approach seeks to enhance alignment between donors and the priority sectors, policies, and expenditure frameworks of the country's government. In this context, donor aid modality documents—such as approved sectoral policies, strategic frameworks with clearly defined donor coordination

processes, and medium-term expenditure frameworks—serve as essential prerequisites for disbursing donor funding.

Results-Based Aid / Cash on Delivery: This donor aid modality is characterised by reimbursement payments based on the attainment of predefined project milestones and results (Pearson, 2011; de Hennin & Rozema, 2011; Birdsall & Savedoff, 2011). In this model, the disbursement or withholding of aid is directly linked to independently verified outcomes.

- *Aid Localisation:* This emerging approach to donor assistance emphasises the importance of direct funding to grassroots organisations, bypassing intermediaries. The goal is to tackle existing poverty imbalances, enhance the empowerment of aid recipients, and minimise the costs linked to aid transactions (Sergio et al., 2019).

Summary of donor Aid modalities. Adopted, based on Europe Aid & ODI 2004; Lavergne et al. 2003; Foster et al. 2001; World Bank ,2004; Grand Bargain.,2016

Background to Shifts in Donors' Aid Modalities

The discussion surrounding donors' aid modalities originated from the Rome Declaration of Harmonisation forum held in February 2003. This declaration endorsed and ratified principles that highlighted the importance of acknowledging the diverse aid modalities employed by various donors and the need for country-specific approaches. It focused on country-owned and government-led donor aid management strategies within recipient nations (OECD, 2003; OECD, 2005; OECD, 2011). While these high-level principles are widely accepted in theory, there is a recognised need to further clarify the concepts of donors' aid modalities. Specifically, this involves defining the criteria for effectively implementing these general principles within the context of individual countries, sectors, and organisations (Lavergne et al., 2003; Foster et al., 2001; Parks & Rice, 2013).

To clarify the application of donor aid modalities, the World Bank (2004) offered insights into how these modalities function within the African context, as detailed in its strategic paper and framework for assistance to Africa. Following this, several development agencies, including DFID, published policy documents titled “Poverty Reduction Budget Support,” which provided further clarification on the implementation of aid modalities at both government and non-governmental organisation (NGO) levels (DFID, 2003a; DFID, 2003b). In contrast, the Canadian International Development Agency (CIDA) embraced a program-based approach as the primary modality for donor aid within its foreign aid framework (Lavergne et al., 2003). These

developments, among others, have significantly influenced the adaptations of not-for-profit organisations and the developing countries that are the primary recipients of foreign aid. The forthcoming literature review will further explore this topic.

Operationalisation of Shifts in Donors' Aid Modalities

To facilitate a transition from 'stand-alone' projects to project 'clustering,' typically executed through pooled funding within the framework of Sector Wide Approaches, an approach initiated in the 1990s under sector investment arrangements is employed. This process involves donors distributing aid according to a mutually agreed sector framework (Habraken et al., 2017). In many cases, the SWAp arrangement requires donors to support specific priority sectors, after which recipient governments direct funding to the established expenditure framework, accompanied by joint management and reporting protocols (DFID, 2004; World Bank, 2004).

The increased adoption of Sector-Wide Approaches was designed to address project and program methodologies gaps, catalyse and enhance overall impact in development assistance, and improve donor aid coordination with host governments. This includes formulating comprehensive policy and expenditure frameworks and harmonising donor procedures (World Bank, 2001; World Bank, 2011; DFID, 2004). The rationale behind the SWAp approach lies in its potential to strengthen synergies and integration across various sectors, foster better collaboration among donors, and promote harmonisation. Additionally, it facilitates meaningful policy

dialogues, reduces transaction costs, and encourages recipient ownership (DFID, 2004; Andersen, 2000; INCAF, 2011).

Despite the benefits, critical literature regarding Sector-Wide Approaches points out several weaknesses. A key concern is its assumption that countries must possess positive macroeconomic indicators and enjoy political stability (World Bank, 2000). Additionally, there are challenges related to fiduciary risks, as the host government may prioritise its interests, making it susceptible to diverting funds (Leiderer, 2012; World Bank, 2012). Furthermore, there are serious doubts about the capacity of SWAs, as a donor aid modality, to effectively address development issues beyond a single sector, such as poverty alleviation. This multifaceted challenge necessitates a comprehensive approach that cannot be confined to one sector alone (Mosley & Eeckhout, 2000; DFID, 2008, et al., 2011).

The second shift scrutinises the effects of structural adjustment operations on general budget support. This shift aims to address the shortcomings of the current donor aid modality, particularly issues of donor aid inducement. The new framework introduced by general budget support has facilitated redesigning the conditionality contract (Öhler et al., 2010). There is a broad consensus that this conditionality contract should promote evidence-based, country-aligned interventions and improved policy linkages and outcomes (World Bank, 2012). Consequently, this shift has prompted the World Bank and the International Monetary Fund (IMF) to foster collaborative relationships between donor and recipient countries. This platform has

enabled discussions surrounding the controversies sparked by implementing donor-aid conditionality (ODI Roundtable, 2011; Rogerson, 2011).

The discussion began by addressing the challenges associated with implementing and enforcing conditionality. The risks inherent in this conditionality revolve around the creation of incentive problems and the lack of clear leadership in formulating a strategy for poverty reduction. As a result, decision-making often leans towards the preferences of donors willing to make multi-year financial commitments, such as those from the World Bank's Poverty Reduction Support Credit (Nimu, 2018; Heideman, 2018; Andersen, 2000).

The third shift in donor aid modality marks the UK-DFID's transition from its initially publicised and supported Sector-Wide Approach to General Budget Support. This change was based on the understanding that GBS has proven to be a more 'progressive' form of donor aid (EuropeAid & ODI, 2004). The primary argument for GBS is its ability to enhance and strengthen accountability relationships between donors and recipient countries, thereby achieving more significant results (ODI, 2011). This, in turn, contributes to sustainable poverty reduction (EuropeAid & ODI, 2004). Conversely, the World Bank's Program for Results Financing (P4R) was developed to offer alternative project and budget support options to address gaps where existing donor aid modalities may be overly rigid (World Bank, 2011a). The World Bank focuses on funding government projects while linking disbursements to outcomes rather than mere inputs. However, it includes conditions to ensure safeguards, such as risk mitigation strategies, fiduciary

safeguards, and project review requirements (World Bank, 2011a). According to European Union communication, GBS is recognised as an approach that facilitates the provision of inputs, including policy dialogue, technical assistance, capacity building, and financial transfers (World Bank, 2011a).

The fourth shift in donor aid modalities marks the emergence of Result-Based Aid (RBA) and Cash on Delivery, which have ushered in a new era of autonomy for recipient countries. This shift reflects the recognition by donors that their involvement can only be effectively measured at the level of results and through strategic advisory roles (ODI, 2011a; Rogerson, 2011). Unlike General Budget Support, this aid modality emphasises outcomes promoting quality and accountability, leading to various assessment tools (World Bank, 2011; OECD & World Bank, 2008; ODI, 2011a).

However, a significant challenge for the RBA lies in the complexities involved in defining and identifying quantifiable indicators that accurately reflect impacts and in addressing politically sensitive issues, such as human rights (Klingebiel, 2012). Nevertheless, Result-Based Aid's strength is evident in fiscal decentralisation, which provides a strong baseline for measuring progress. Donors increasingly leverage this approach by initiating several performance-based grant systems (Steffensen, 2010; Rogerson, 2011; ODI Roundtable, 2011).

The fifth shift in the dispensation of donor aid modalities is the increasing focus on localising humanitarian aid, particularly concerning not-for-profit organisations. This

phenomenon has been part of the discourse since the 2016 World Humanitarian Summit (WHS), famously called the ‘Grand Bargain.’ During this summit, key government donors and international relief agencies pledged to direct support towards national and local responders, a movement referred to as ‘localisation’ (Grand Bargain, 2016; Koenraad & Smruti, 2017).

The commitments established at the summit included enhancing capacity support by building the institutional capabilities of local and national responders, allocating 25% of humanitarian aid to these local entities by 2020, and eliminating barriers that hinder partnerships between organisations and donors with local and national responders by reducing administrative burdens. Furthermore, the commitments emphasized the importance of supporting and complementing national coordination mechanisms where they exist and incorporating local and national responders into international coordination efforts as appropriate and in alignment with humanitarian principles (Grand Bargain, 2016; Ground Truth Solutions, 2017a; Ground Truth Solutions, 2017b; Ground Truth Solutions, 2017d).

In particular, the World Humanitarian Summit's (WHS) call for localisation in 2016 highlighted the funding gap between the urgent needs of rapid emergency response and the protracted requirements of humanitarian efforts, which often suffer from insufficient financial resources (Grand Bargain, 2016). The Grand Bargain also sought to address several other challenges, including excessive centralisation, the financial strain on humanitarian efforts, and the sluggishness of international surge mechanisms that often overlook local communities (High-

Level Panel, 2016; Grand Bargain, 2016). Additional barriers included bureaucratic inefficiencies, excessive competition among donors for aid, and fragmentation within the humanitarian sector (Bennett, 2016). There was also concern regarding the 'oligopoly' of aid which limits the number of primary aid recipients (Parker, 2016), alongside issues of financial instability and political unsustainability that arise from the predominance of international relief agencies, which may not align well with the priorities of national governments (Bennett, 2016). The push for the localization of donor aid is a collaborative effort involving various international aid organizations, including development donors, United Nations agencies, and international not-for-profits, aimed at positioning national and local actors at the forefront of humanitarian programming and response, thus granting them greater control and ownership of their development processes (Ground Truth Solutions, 2017a).

The debate surrounding localisation remains unresolved, as numerous connections still need to be made, and the implications should not be underestimated, particularly regarding the necessary reflections within the political economy of the international relief sector (Manis, 2018; Sergio et al., 2019). Additionally, various international and institutional interests may distort the original intent of aid localisation as established during the World Humanitarian Summit (Manis, 2018). This situation necessitates extended discussions, including urgent calls to action and the involvement of as many individuals as possible in the Charter for Change (C4C), an initiative led by several organisations (Bennett, 2016). While there is a general agreement that the localisation

of donor aid brings opportunities and benefits—such as cost efficiencies, enhanced ownership of development, and increased participation from national and local actors who possess contextual knowledge—more effort is required to provide robust evidence of localisation's effectiveness and to understand how it positions organizations on a path toward sustainability (de Geoffroy et al., 2017; Poole, 2014, 2017).

Donors' Aid Modalities and Implications in the Ugandan Context

Like numerous developing nations, Uganda has a historical dependency on foreign aid as a catalyst for its economic development (Bwire & Morrissey, 2017; Kasirye & Lakal, 2019). Donor-related assistance accounts for over 52% of Uganda's total government expenditure, equating to approximately 12% of its Gross Domestic Product (Government of Uganda, 2018). In recognition of this dependence, the Ugandan government initiated the Poverty Eradication Action Plan (PEAP), a comprehensive framework aimed at directing investments in alignment with the National Development Plan and fostering collaborative partnerships with international donors (Uganda, 2005). With the adoption of PEAP, Uganda emerged as the first donor-recipient country to successfully influence donor operations within a cohesive National Development Framework (Habraken et al., 2017; Kasirye & Lakal, 2019).

In 1999, the Government of Uganda (GoU) further implemented a Sector-Wide Approach as a modality for donor engagement, designed to enhance the coordination of aid by aligning donor contributions with the government's sectoral priorities (Habraken & Hoebink,

2017). This innovative strategy addressed the limitations inherent in isolated project implementations, thus leveraging collaborative donor initiatives for greater efficacy (Riddell & Niño-Zarazúa, 2016).

Uganda's progressive policy environment, stable political conditions, and committed development agenda have collectively catalysed robust economic growth, increasing donor presence (Bwire & Morrissey, 2017; Habraken & Hoebink, 2017). Despite the increase in donor influx, this scenario has pressured the GoU to regulate and align foreign aid with national priorities, leading to additional principles within PEAP to enhance donor coordination (Bwire & Morrissey, 2017). Specifically, the GoU encouraged shifting from project-based assistance to general budget support, promoting flexibility and better aid alignment with the national development strategy (Bwire & Morrissey, 2017; Uganda, 2005). This transition, exemplified by ratifying general budget support in 2001, resulted in remarkable economic growth and increased budgetary donor assistance, particularly focused on poverty reduction efforts (Bwire & Morrissey, 2017; Habraken & Hoebink, 2017).

Throughout its engagement with various donor assistance modalities, the GoU has observed a historical preference from donors for project-type interventions. This approach necessitates a project-based system that facilitates the transmission of aid, involving the specification of transfer amounts and resource requirements for fund management (Kasirye & Lakal, 2019). Within this project-oriented framework, donors retain considerable autonomy in

resource allocation and implementation (Kasirye & Lakal, 2019). This autonomy allows donors to rationalise continued aid expenditures to their stakeholders, as project outcomes are typically more observable and accountable (Dreher & Nunnenkamp, 2015). Analysing project-type donor aid disbursements reveals that over 50% have been directed toward health-related sectors, with infrastructure receiving a relatively minor allocation. However, a significant shortcoming of this project-centric model is the creation of parallel systems that operate alongside local government interventions (Kasirye & Lakal, 2019).

Under the pooled funds modality of donor aid, the Government of Uganda allocates over 52% of donor assistance towards emergency response efforts. In contrast, 60% of the remaining aid is directed towards targeted programs and funds, where donors retain control over the resources (Bwire & Morrissey, 2017). Investment in the emergency sector has proven relatively predictable, highlighting the necessity for collaborative actions to implement comprehensive and expedited lifesaving interventions through strategically designed programs and funds (Riddell & Niño-Zarazúa, 2016).

Regrettably, the budget support model, which had garnered substantial support from donors in Uganda during its initial years, has recently received less than 4% of the funding (Kasirye & Lakal, 2019). This marks a significant decline, particularly given that the GoU received 10% of total donor aid in budget support between 2002 and 2009 (Dreher & Nunnenkamp, 2015; Nordtveit, 2014). When comparing the allocation of donor aid between the two modalities—

General Budget Support and Sector-Wide Approach—Germany, Norway, and the UK include General Budget Support in their aid profiles. The UK is the most significant contributor, accounting for over 80% of the total general budget support.

Research has indicated that general budget support often aligns closely with political motivations, particularly among former colonial powers aiming to sustain their dominance and influence in their previous colonies (Dreher et al., 2008; Dreher et al., 2015; Nordtveit, 2014). This is particularly evident in the allocation of aid by the UK government through General Budget Support, given that Uganda was once a British colony (Nordtveit, 2014). However, subsequent years saw a reduction in the UK's support for General Budget Support, primarily due to allegations of corruption within the Prime Minister's office, which also led Germany to withdraw its assistance (DFID 2012a). The cessation of General Budget Support and a decline in Sectoral Budget Support served as a crucial warning for Uganda, highlighting the need to address corruption. For donors, this situation prompted a shift toward more risk-averse strategies in light of deteriorating funding accountability and governance concerns within the Government of Uganda (Habraken & Hoebink, 2017).

Donor Aid Modalities and Implications: Uganda NPOs Context

The new donor aid architecture has significantly changed aid modalities and patterns in Uganda. This has primarily encouraged donors, including DFID, to advocate for a notable shift towards budget support and Sector Wide Approach (SWAp) aid instruments (DFIDEA, 2000b).

These paradigm shifts in donor aid modalities have fundamentally altered not-for-profit organisations' focus and funding strategies. For instance, DFID's aid strategy for Civil Society Organisations (CSOs) has transitioned from initial service delivery and direct assistance to the most vulnerable populations to a greater emphasis on more strategic approaches. This includes influencing pro-poor policies, incorporating citizen voices into development discussions, fostering strategic partnerships between the government and CSOs, as well as establishing meaningful collaborations with donors and advancing CSO advocacy efforts (DFIDEA, 2000b).

The aforementioned model has introduced new funding patterns by phasing out 'umbrella' programs and providing financial support to not-for-profit organisations that can demonstrate their intervention programs have the potential to elicit government responses to pro-poor initiatives and development (Kapiriri et al., 2000). Donor funding primarily focuses on National NPOs and networks actively engaged in policy lobbying and advocacy and those capable of contributing to poverty eradication strategy papers (PRSPs) (Steffensen, 2010; Rogerson, 2011).

In this new context, many NPOs have taken on multiple roles, including serving as invited contributors to policy formulation at national and district levels, advocating for change during policy development and implementation, participating in policy discussions as service providers, and monitoring government projects (Lewis, 2001). However, NPOs encounter challenges and

disruptions as they oversee government institutions that regulate and register them (Goetz & Litser, 2001; Lewis, 2001).

Research indicates that the classification of NPOs has been expedited by the overall changes in donor funding methods seen in Sector-wide Approaches and General Budget Support, which have impacted their operational strategies (McGee et al., 2002). SWAPs create avenues for NPOs to engage in policy and sector discussions by invitation and have enabled the classification of NPOs as either service delivery organisations, advocacy groups, or a combination of both, acknowledging that service delivery often leaves them unprepared for complex policy discussions (McGee et al., 2002).

Donor Aid Modality Types

Pooling of Funds

Numerous not-for-profit organisations receive donor funding allocated by donors towards a standard set of objectives administered and channelled through a single financing instrument (Stoddard et al., 2017). The effectiveness of pooled funds as a mechanism for donors to distribute aid to NPOs shows varied results, and there is limited evidence supporting the methodology, outcomes, and overall efficacy of pooled funding (Stoddard et al., 2017; Lattimer & Swithern, 2017). Pooled funding, particularly in country-based pooled funds (CBPFs), encompasses the mechanisms and approaches used to secure funding from donors targeting

multiple implementing agencies operating within the same country (Lattimer & Swithern, 2017). This methodology of pooling funds has been favoured by several donors, mainly to leverage assistance and adhere to the Grand Bargain's commitment to allocate 25% of humanitarian financing directly to local and national responders by 2020 (Thomas, 2017; Grand Bargain, 2016).

While there has been a noticeable increase in the volume of aid disbursed through country-based pooled funds (CBPFs), recent years have seen significant global humanitarian funding channelled through direct bilateral grants between donors and recipient organisations (Thomas, 2017). Nevertheless, CBPFs have received considerable support from most donors, as evidenced by their commitment to the Grand Bargain and the Charter for Change. However, the realisation of these commitments has been relatively low and is not increasing as a share of the total earmarked pooled funds (Stoddard et al., 2017; Urquhart & Tuchel, 2018).

The existence and effectiveness of CBPFs can only be accurately assessed from the perspective of the funding recipients, in this case, not-for-profit organisations. Despite potential disadvantages for NPOs, donors benefit from this funding model as it helps them address long-standing inefficiencies in managing small and fragmented grants to local entities (Poole, 2018). Additionally, advocates for CBPFs argue that this approach enhances the ability of local partners and recipient organisations to engage more effectively by leveraging the strengths found in consortium collaborations (OCHA, 2015b; Montemurro, 2017). By utilising the CBPF platform, NPOs can engage in dialogue and negotiate better terms of aid through governance structures and

pooled fund working groups that are both respected and recognised by donors (Thomas, 2017; Poole, 2018). Evidence generated from these meaningful discussions indicates that NPOs are afforded a role in decision-making processes that affect them, including gaining insights into the donor-oriented humanitarian coordination system (Montemurro, 2017).

Donor pooling of funds has been found to impact national not-for-profit organisations (NPOs) when these funds are made accessible to both international and local NPOs (Patel & Brabent, 2017). Generally, NPOs face challenges in generating high-quality and standardised proposals, adhering to specific governance safeguards set by donors, and maintaining a strong record of accountability and control (Grisgraber, 2017). In order to address the existing disparity between international non-governmental organizations (INGOs) and national non-governmental organizations (NNGOs), donors have implemented safeguards that require INGOs to build the capacity of NNGOs and outline a roadmap for the eventual phasing out of their work in favor of local organizations (Patel & Van Brabent, 2017).

The connection between the pooling of funds and the sustainability strategies of NPOs hinges on their ability to monitor evolving circumstances, particularly by proactively entering into preemptive agreements (Grisgraber, 2017). It can be argued that increasing transparency regarding information sharing between NGOs and donors could enhance readiness and preparation efforts (Thomas, 2017). Best practices, such as establishing an open repository of emerging good practices, including funds specifically targeting national NGOs, would bolster the survival and

sustainability of NNGOs. However, there is currently limited information exchange between CBPFs, and no comprehensive repository of best practices exists to inform the creation of new funding initiatives (Thomas, 2017).

Even individual donors who advocate for Country-Based Pooled Finance (CBPF) can demonstrate their commitment to enhancing the resilience of Not-for-profit Organisations by providing valuable information. This includes guidance on application processes, essential governance requirements, templates for annual reports, procedures for addressing complaints and feedback, and easily accessible contact information on various websites (Thomas, 2017). For emerging NPOs that seek assistance, navigating proposal calls related to registration, certification, funding criteria, and reporting requirements can be daunting, potentially jeopardising their chances of survival (Thomas, 2017). Furthermore, the pooling of funding by donors often complicates the application process due to lengthy compliance requirements, intricate monitoring frameworks, and closed systems involving apps and websites (Carrera et al., 2018).

Many CBPFs, including those associated with the UN, have faced criticism for their burdensome and sluggish application processing, feedback mechanisms, and final fund disbursements (Stoianova, 2014; Mowjee et al., 2016). This inefficiency explains why donors have struggled to meet their established aid disbursement targets; for instance, in 2015, OCHA's disbursement for CBPFs was a disappointing 34% of the intended 85% target (MOPAN, 2017). While donors may afford delays in aid disbursements, NPOs do not share that luxury. Bureaucratic

obstacles can adversely affect NPO cash flows, hinder operations, and ultimately impact their long-term sustainability (Grisgraber, 2017). The challenge is further intensified by the misalignment of the CBPF funding cycle, which is often dictated by the administrative timelines of donors, making the predictability of funding nearly impossible (Stoddard et al., 2017).

The pooling of funds is equally characterised by long delays, occasioned by the intense processes of auditing CBPF-related projects due to the expanded scope that comes with the involvement of many partners forming a funding cluster (Grisgraber, 2017). Uncertainties in funding adversely affect the operations of NPOs, including the retention of mission-critical competencies during the bridging and waiting periods, which in turn impact the capacity of NPOs (Grisgraber, 2017; Stoddard et al., 2017). Notwithstanding the aforementioned, evidence is cited for the valued performance of pooling funds as a modality for rapid funding, especially in subsequent funding cycles (MOPAN, 2017). The follow-on funding in this modality is much faster than bilateral grants in consideration of the time from proposal to approval; however, decision-making with disbursement continues to be slow for the most part (Stoddard et al., 2017; MOPAN, 2017)

While efforts have been made to address the disbursement of aid under the pooling funds modality, the complex donor administrative systems have continued to impact the agility and responsiveness of donors in this modality (MOPAN 2017). In the context of a changing environment, introducing such modalities affects the service delivery of NPOs. Subsequently, it

dents the trust, reputation, credibility and sustainability of these NPOs (Thomas, 2017). For example, the OCHA Funding Coordination Section and ICVA (2015) highlight the daunting challenges that NPOs face in accessing country-based pooled funds (Thomas, 2017). The language and terminology built into the pooling of funds regulation and guidelines are problematic for NPOs to comprehend, and the envisioned application completion time is a deterrent for NPOs that must juggle implementation and resource acquisition (Stoddard et al., 2017).

Simplifying the pooling of funds modality to make it more user-friendly will boost the success rate of several not-for-profit organisations and enhance their sustainability and resilience. In light of escalating conflicts, increased vulnerability, and a growing number of people needing humanitarian assistance, donors should focus on agility in service delivery rather than complicating access to critical funds (Thomas, 2017).

The pooling of funds and associated grants tends to become smaller as these resources are divided among the many NPOs that operate within a cluster. On average, these related grants are typically smaller than bilateral grants (Mowjee et al., 2016). Delays often result from efforts to fund a larger number of minor crises and smaller local organisations, spreading resources too thin and inadvertently leading to a low impact (Stoddard et al., 2017). The argument for depth over breadth posits that “the smaller the grant, the larger the related transaction costs, which remain the same in the Country-Based Pooled Fund (CBPF) system regardless of the grant amount” (Stoddard et al., 2017). Consequently, “the smallest NGOs typically bear the greatest administrative burden

for the least reward” (Mowjee et al., 2016). Evidence surrounding pooled funds, particularly country-based pooled funds, is more unmistakable when NPOs are proactive and prepared for this purpose (Thomas, 2017). Some NPOs, as recipients of these grants, focus on building a solid reputation by ensuring excellence and aligning with donor compliance requirements (Mowjee et al., 2016). NPOs that have developed credibility with donors through strong performance records are often automatically considered for funding renewals.

A key lesson from this experience is that a strong track record, credibility, and effective pre-positioning can attract funding for NPOs with rapid response capabilities, such as those that can turn around and disburse funds within 24 hours (Mowjee et al., 2016). Studies have shown that NPOs that are well-prepared in the CBPF have successfully accessed small amounts of funding, allowing them to respond immediately to crises with just a phone call or email approval (Stoddard et al., 2017). For not-for-profit organisations operating in emergencies, securing funds to respond to rapidly escalating crises is paramount. The literature highlights examples of NPOs that have proactively organised themselves and engaged with donors, illustrating a commendable practice (Stoddard et al., 2015). Such strategies have enabled NPOs to quickly access donor funding under the pooled funds modality (Thomas, 2017). Donors tend to favour this pooling approach, recognising its benefits. Development Initiatives (2015) have suggested investing in “NGO-led pooled funds that offer innovation and complementarity compared to those managed

by multilaterals, particularly regarding focus, agility, and balance of recipients” (Stoddard et al., 2017).

Regarding flexibility, donors emphasise the importance of pooling funds, especially when managing downstream NPOs within a consortium. This flexibility allows NPOs to enhance their capabilities over time, ultimately positioning them to secure funding as prime recipients from donors (ICVA, 2017; Stoddard et al., 2017). However, cost allocation and flexibility remain contentious issues in this modality; NPOs advocate for favourable and adaptable considerations that enable them to shift funds from one activity to another, responding to the rapidly changing contexts they encounter (ICVA, 2017). NGOs have reported that changes exceeding 15% of a project budget cannot be transferred between activities without the donor's approval (Stoddard et al., 2017). While this requirement is a reasonable accountability measure, given the volatile environments in which NPOs operate, it can hinder the urgency required for effective implementation (ICVA, 2017).

The sustainability and systems strengthening of NPOs are built through trust, supported by the notion that NPOs understand the environment and the sectors in which they operate, and they should be allowed to design projects with flexibility, which in turn makes them responsive to the needs on the ground (Mowjee et al., 2016). The pooling of funds and its relationship to NPOs' sustainability can be summarised to depict an interplay that constantly demonstrates the tension between the two (Stoddard et al., 2017). On one hand, the donor would like a mechanism that gives

them less administrative burden and, which produces results at scale and yet still maintains reserve pothe studyrs that, in many ways, cripple the NPO's sustainability and resilience (Mowjee et al., 2016). Respect, trust, compliance, and accountability remain core values that the donor and the NPOs must prioritise in this relationship to deliver better services and achieve a material impact for their beneficiaries (Mowjee et al., 2016).

Localisation of Aid

The theme of localisation has gained significant traction in recent years, dominating discussions on donor aid platforms since its emergence at the World Humanitarian Summit in 2016. This summit led to decisions advocating for changes in how aid is structured and delivered (Fitzpatrick et al., 2023). The concept of aid localisation emphasises the importance of decentralisation and the empowerment of local and national actors to manage aid, including making decisions regarding aid projects (Gómez, 2021). Local actors possess a deep understanding of their contexts, having existed in these areas long before aid organisations arrived, and they are likely to remain after aid has left. Additionally, they often serve as the first responders in crises (Gómez, 2021; Fitzpatrick et al., 2023).

Proponents of aid localisation argue that aid designed in collaboration with local actors is more likely to foster resilience and sustainability, as these actors are stable and committed to ensuring the continuity of programs and interventions (Gómez, 2021). While aid localisation

ideologies have recently gained increased attention, some relevant instruments have existed for some time but have remained dormant until the advent of the Grand Bargain and the Charter for Change (Van Brabant et al., 2018). Humanitarian action frameworks, such as those established by the Red Cross and the INGO Code of Conduct, have historically emphasised the importance of leveraging local capacities in any interventions, particularly in disaster-related programs (Van Brabant et al., 2018). As a result, policies and standards, such as the Sphere Standards, dictate that aid organisations must respect and include local partners while promoting community-owned interventions (Van Brabant et al., 2018). Furthermore, the Core Humanitarian Standards (CHS) acknowledge that excluding local capacities from humanitarian responses significantly reduces effectiveness (Gómez, 2021). Additionally, any humanitarian response must promote coexistence by establishing standards that ensure shared benefits between displaced populations and host communities (Gómez, 2021). Many donors' humanitarian policies recognise similar principles, including efforts to harmonise donor procedures and requirements, which the study was shaped by high-level meetings on aid effectiveness from 2003 to 2011 (Van Brabant et al., 2018).

Aid localisation can be understood and explained predominantly through two lenses: aid decentralisation and aid transformation. Aid decentralisation stands to address issues of power reserves in the aid industry and centralised decisions regarding financial and strategic issues around aid and responses to achieve cost efficiencies and effectiveness (Baguios et al., 2021; Van Brabant et al., 2018). The premise of this principle is that aid-related decisions should be made as

close as possible to where the action is taking place, with significant resources being channelled directly to local actors for easy responsiveness and with a great sense of agility (Baguios et al., 2021). On the other hand, a transformational aid principle emphasises the need for aid to be directed towards building local and national capacities and leadership for the sustainability and resilience of the created impact (Baguios et al., 2021).

The argument is that international actors tend to inhibit growth parameters because of their dominance and approaches built on the system that do not apply to the local context (Fitzpatrick et al., 2023). The approach overhauls the original development paradigm that encouraged the projects to build transition plans in their designs, which often never translated into action (Fitzpatrick et al., 2023). Both schools of thought have one thing in common: Aid localisation that advances these principles promotes utmost accountability and transparency, and significantly empowers local actors to own their development (Elkahlout & Elgibali, 2020). Moreover, aid localisation mirrors and is equal to improved agility, responsiveness, and relevance, including implementing fit-for-purpose programs, participation, inclusivity, transparency, strengthened feedback mechanisms, and enhanced trust and financial transparency (Elkahlout & Elgibali, 2020).

Aid localisation is increasingly gaining support and recognition for its potential to offer sustainable solutions and ensure the enduring benefits of development, thereby fostering a more coherent global community (Daud, 2021; Ophoff, 2018). The sustainability principles are embedded in capacity-building frameworks that advocates of aid localisation promote,

emphasising the importance of comprehensive capacity building for national stakeholders, including governments, NGOs, and community groups (Ophoff, 2018). The existing literature on aid localisation commends this approach for its focus on capacity building that leverages indigenous knowledge and cultural relevance, contributing to the high acceptance and sustainability of development initiatives (Daud, 2021). Furthermore, aid localisation is associated with enhanced resilience, as it empowers local actors with a sense of ownership and the capability to address future challenges (Sundberg, 2019).

The capacity of local institutions to anticipate and address future challenges is crucial for overcoming the dependency syndrome that has hindered many developing contexts, paving the way for sustainable, independent, and self-reliant systems (Olivier et al., 2018). Self-reliant systems significantly enhance empowerment efforts and mitigate power imbalances, aligning with “a fundamental objective of sustainable development as encapsulated in the United Nations' Sustainable Development Goals (SDGs).” Numerous stakeholders recognise the advantages of aid localisation, particularly its potential to foster a more equitable global environment and ensure a fair distribution of resources (Olivier et al., 2018).

In examining aid localisation, Baguios et al. (2021) propose a framework that highlights various dimensions of localisation, including agency, ways of being, and funding. The iterative themes encompassed within these dimensions illuminate the understanding of localisation as the degree to which local and national actors possess and can exercise power (Baguios et al., 2021;

Olivier et al., 2018). This power is categorised into two types: decision-making power and ideological power, reflecting the extent to which local actors can resist external influences (Olivier et al., 2018). The proposed framework for aid localisation concerns how local actors can devise and implement innovative strategies and approaches that effectively address their challenges (Olivier et al., 2018). This concept is rooted in the foundational philosophy of universal urgency, which acknowledges collective power through state sovereignty, individual agency, and the right to autonomy (Olivier et al., 2018). The right to self-determination encompasses the ability to enjoy freedom, including the authority to determine one's political stance and to freely pursue economic, social, and cultural development (United Nations, 1966, as cited in Slim, 2021).

The concept of aid localisation emphasises the need for donors to respect the sovereignty of the states receiving assistance, highlighting the responsibility of governments and their citizens to advance their own development agendas (Obrecht, 2014). This implies that the responsibility for implementing development programs primarily rests with local actors, while international participants serve as catalysts by initiating context-relevant aid initiatives (Obrecht, 2014). This perspective is vital, as it upholds the essential right of local and national actors to make decisions regarding their development while recognising the potential risks that external pressures and disruptions may pose to this autonomy (Olivier et al., 2018).

Excessive involvement of external players in a country's development discourse often hinders the nation's ability to exercise its freedom of choice and prioritisation (Obrecht, 2014).

The policies imposed by donors, along with the conditions tied to aid provided to local actors, significantly limit their options (Obrecht, 2014). Aid given to local actors frequently carries its own agendas, which may diverge from the actual needs and desires of the local stakeholders, thus stifling ownership and sustainability of initiatives (Olivier et al., 2018). Consequently, localisation can be understood as the capacity of local and national players to navigate their in-country policy frameworks, negotiate donor priorities, and maintain their status as recipients of aid (Fraser & Whitfield, 2008). Localisation's challenges can manifest at various levels, such as when donors exclude specific individuals from discussions during meetings or at a systemic level where external forces obstruct agency. Additionally, language barriers may prevent local actors from meaningfully contributing to and negotiating better terms for aid (Olivier et al., 2018).

Conversely, specific approaches advocate for an extreme decolonial perspective within the discourse of aid localisation. Proponents of this method emphasise the influence of power dynamics, albeit subtly (Kothari et al., 2019). This trend is often characterised as "sequential, unidirectional, and materialistic," and is predominantly championed by those who endorse commercialisation and a capitalist viewpoint (Kothari et al., 2019). The implications of this argument suggest that such a focus could jeopardise both social relationships and the environment (Tortosa, 2019). Furthermore, universalism appears to be promoted in local action, as it envisions a cohesive and globalised world (Kothari et al., 2019).

The spectrum of aid and development has faced criticism and skepticism for serving as a conduit to advance the interests of the donor countries rather than addressing the genuine development needs of the contexts they claim to support (Roepstorff, 2020). Beyond the decolonisation perspective, an emerging discourse argues that localisation represents a significant advancement, as biases in funding distribution persist, often favouring international organisations (Roepstorff, 2020). The notion of the grand bargain in aid localisation is proposed, and while it is regarded as a progressive step, notable gaps remain in funding allocation. Notably, only 25% of aid is committed to being disbursed through local actor agencies, leaving a substantial 75% in the control of international NGOs (Baguios et al., 2021; Escobar, 2018).

While advancing aid localisation aims to ensure that local actors receive a fair share of aid funding, the existing bureaucratic structures and disbursement models often hinder local actors from accessing and competing for these resources (Escobar, 2018). Committing to channel 25% of global humanitarian efforts to local actors is one thing; relinquishing control over the utilisation of aid in a manner that genuinely benefits the local context is quite another (Kothari et al., 2019). Despite these challenges, this commitment is recognised as a positive development. Not-for-profit organisations (NPOs) should leverage this opportunity to harness the flexibility that comes with localisation, thereby enhancing their sustainability and resilience (IASC, 2016). As the localisation landscape evolves, NPOs have a crucial opportunity to negotiate improved eligibility criteria and

contractual obligations, particularly burdensome and detrimental to the well-being of both NPOs and local actors (Roborgh, 2023; Urquhart et al., 2020).

Diverse ideologies regarding accessibility, inclusivity, policies, and eligibility criteria surround the principles of aid localisation. Since the onset of the Paris and Busan Agreements (OECD, 2005; 2011), the donor community has collectively recognised national and local actors as preferred partners in the discourse on aid localisation. This recognition has been enshrined in the guidelines accompanying the donors' commitments (Baguios et al., 2021). The commitment outlines a desire to enhance transparency in aid disbursement and improve cost efficiencies by eliminating transactional costs (Baguios et al., 2021).

However, the relationship between the localisation of aid and the resilience of local and national actors remains unresolved. The stringent guidelines that dictate aid allocation—including the types and scopes of activities funded and how funds are utilised—are often determined by a select few individuals (Baguios et al., 2021). Consequently, the levers of localisation often function as obstacles rather than enablers. Until these issues are addressed, the localisation of aid will remain an elusive goal for the empowerment and sustainability of not-for-profit organisations (Gómez, 2021). Furthermore, the levers of localisation are characterised by varying definitions, as different donors operate under diverse parameters within this framework, forcing local actors to navigate a maze of often conflicting compliance standards at the expense of achieving their objectives (Gómez, 2021).

Aid localisation is fully unpacked through multifaceted localisation levers, which include practical considerations and outline processes and frameworks to drive authentic, locally driven practices (Baguios et al., 2021). Many donors at the helm of aid localisation depend on localisation levers to adjust, review and improve the guidelines and policies (Gómez, 2021). The levers mentioned have been examined through five lenses: "Decision-making, Priorities, Knowledge, Relationships, and Delivery" (Baguios et al., 2021). The extent to which aid localisation and funding are operationalised depends on stability and whether the configuration of localisation levels respects their governance and infrastructure (Baguios et al., 2021).

The aid localisation concept is primarily conceptualised as a downstream approach, regarded as a means to empower the global south, which is intended to manifest as an upstream approach (Baguios et al., 2021). The clarity of localisation in aid direction provides a trajectory to track and monitor its effectiveness by providing an evidence trail, “showcasing localisation instances credited to the initiatives of Global South participants” (Baguios et al., 2021). Another unclear aspect is the definition of who is considered local, as there is no globally agreed-upon definition (Roepstorff, 2020). On the one hand, some donors have defined local actors as NPOs that constitute the majority of members of governance structures from the local context, as well as organisations with a local registration (Roepstorff, 2020). As long as a universal definition is not in place, localisation efforts could be challenged since local participants are diverse in form, scope, and size and, therefore, not homogeneous (Gómez, 2021).

The complexity also stems from the necessity to differentiate between not-for-profit organisations with headquarters in the global North, operational offices in the global South, and a federated structure (Gómez, 2021). In contrast, other civil society organisations are categorised as indigenous due to their lack of affiliation with any external organisation or framework (Roepstorff, 2020). Consequently, applying the same standards to these diverse organisations is inequitable and undermines the fundamental principle of aid localisation (Baguios et al., 2021). International NPOs also grapple with their identity and face the risk of mission drift; some have opted to alter their identity and registration, while others are working to redefine their role within the broader discourse on aid localisation (Roepstorff, 2020; Baguios et al., 2021). The distinction between aid localisation and NPO sustainability is evident, and several NPOs are wrestling with issues of legitimacy (Roepstorff, 2020).

NPOs are facing a critical decision regarding their participation in the Charter for Change, which tends to blur their identity and impact their sustainability (Baguios et al., 2021). Consequently, a clear conceptualisation of aid localisation is essential, enabling NPOs to assess better their futures and prospects (Baguios et al., 2021). Prioritising clarity in the definition of localisation, allocating resources, and fostering respect and transparency is crucial. This includes upholding the autonomy and independence of local partners (Roepstorff, 2020; Baguios et al., 2021). However, some efforts towards localisation have shown tendencies that conflict with these fundamental principles (Baguios et al., 2021).

In summary, the concept of aid localisation has gained significant momentum since its inception at the World Summit in 2016. Localisation is based on key principles prioritised during the World Humanitarian Summit; however, skepticism and impatience have emerged as commitments have not met established targets (Baguios et al., 2021). As highlighted in the literature review, many decision-makers, local partners, and national actors remain uncertain about the grand bargain's short- and long-term implications and the Charter for Change (Baguios et al., 2021).

While optimistic expectations surround the localisation agenda, several significant issues require attention, including fundamental considerations, rationale, intentions, and the implementation of localisation and defining what success entails (Lediard, 2016). The desired localisation of aid emphasises the empowerment and sustainability of local actors, particularly national not-for-profit organisations. Success will be measured by credible evidence indicating that power has been decentralised at the local level and that domination over these actors has ended (Lediard, 2016). The ultimate objective of the localisation strategy is to enhance the authority of aid decisions made by actors closer to the action, ensuring that key interventions align with the proper mandates of local partners (Roepstorff, 2022).

The significance of this discourse lies in fostering trust among allies and local stakeholders while maintaining an ongoing dialogue that enables locals to take on leadership roles (Roepstorff, 2022). When conceptualising projects with local organisations and actors, the co-creation process

must involve active participation from the fund recipients to ensure ownership, sustainability, and continuity (Roepstorff, 2022). Ultimately, the principles of localisation are truly realised when local actors are granted full responsibility, including the design of comprehensive aid processes (Roepstorff, 2022). Additionally, aid localisation should be rooted within existing policy frameworks and systems rather than relying on parallel systems not recognised by the country's infrastructure (Roepstorff, 2022).

Despite the shortcomings in the localisation system, the literature highlights the vital role of localisation in advancing the non-conventional development agenda (Baguios et al., 2021). The localisation of aid deserves recognition for the unprecedented shifts it has created in the development landscape, and further efforts should focus on drawing lessons and advocating for system strengthening while showcasing early successes (Nikidehaghani et al., 2021).

The relationship between the localisation of aid and the sustainability of not-for-profit organisations (NPOs) is a concept that remains largely unexplored. However, if aid localisation does not consider how it impacts the resilience and sustainability of NPOs, it risks undermining its achievements. Additionally, establishing a universal definition of the localisation concept would be beneficial, allowing donors to implement consistent standards when engaging with local actors. In this context, NPOs could capitalise on the shift toward aid localisation by either advocating for it or demonstrating its early benefits to negotiate more favourable terms for aid localisation.

Sector-Wide Approaches Funding Objectives

A Sector-Wide Approach is a funding modality that allocates financial resources to a specific sector, supported by a comprehensive policy and expenditure program. This approach utilises standardised financial management procedures under the authority and leadership of the government (Acharya, 2006). SWAs emerged in the early 1990s as a response to deficiencies in aid processes, administration, and disbursement mechanisms. The primary objectives of this approach are to enhance aid effectiveness and empower recipient governments to demonstrate ownership and accountability in their development efforts, while promoting harmonisation, alignment, and reducing aid fragmentation (Acharya, 2006).

Sector-Wide Approaches have become particularly prominent in Sub-Saharan Africa, primarily due to the challenges stemming from weak economies, limited institutional capacity, and inefficient management systems, which have led to a reliance on external aid (Wagstaff, 2011). As a result of these inadequate funding frameworks, governments have often made individual aid requests, resulting in multiple donor agencies concentrating on specific sectors, such as health, education, and social services (Acharya, 2006; Wagstaff, 2011). On the other hand, donors have increasingly embraced the SWAp modality as a viable strategy to address the shortcomings associated with project-based aid (Front & Santiso, 2010).

The preference for sector-wide approaches arises from recognising that a single government sector is responsible for establishing relationships with donor or partner governments

and upholding the mandates of the relevant ministry (Front & Santiso, 2010). However, it is essential to note that there is no universally accepted definition of sector-wide approaches; the partnership arrangements associated with this modality can differ significantly across various countries. Nevertheless, the specifics of these agreements are typically discussed and mutually agreed upon in advance (Foster, 2000).

Sector-wide approaches can be characterised as a strategy in which development partners synchronise their efforts with the strategies, plans, and systems established by the recipient government (Acharya, 2006). These partnerships are inherently dynamic, capable of adapting to changes in the priorities and strategies of the partner government (Acharya, 2006; Front & Santiso, 2010; Foster, 2000). The collaboration inherent in SWAps primarily focuses on the government's policies, budget allocations, and expenditure plans, all implemented through existing frameworks, systems, and procedures (Foster, 2000).

Scholars widely agree that sector-wide approaches are not merely a standalone funding modality but resist a singular definition or delivery mechanism. This flexibility allows them to align with the broader philosophies, approaches, priorities, and policies of the recipient government's structures (Molenaers & Renard, 2008). What distinguishes SWAps is that development partners leverage the contextualised systems of the recipient government, facilitating substantial technical assistance to strengthen systems and build capacity within the host country's administration (Lewis, 2008; Boak & Brannelly, 2009). As a result, the SWAp approach often

materialises in various modalities, including, but not limited to, strategy support, budget support, government project initiative assistance, and sector support (Lewis, 2008; Boak & Brannelly, 2009).

In contrast, Sector Wide Approaches encounter several ambiguities, including the lack of universally accepted definitions, varying agreements and commitments, and unclear metrics for evaluating their effectiveness, which render them cumbersome (Lewis, 2008). For instance, it is common for countries to adopt different definitions concerning the scope of their respective ministries, with some utilising integrated ministerial structures that amalgamate multiple sectors (Boak & Ndaruhutse, 2011; Lewis, 2008). In certain nations, sectors such as health and nutrition may be governed by different ministries, despite their mandates collectively contributing to the same indicators. This complicates the provision of support and technical assistance for these overlapping mandates (Lewis, 2008). Furthermore, it is not uncommon for government services to be outsourced, while others are fully privatised. As a result, the self-sufficiency and empowerment that SWAs aspire to achieve often remain unfulfilled, as governments grapple with establishing clear accountability and responsibilities over these entities (Lewis, 2008).

Development partners demonstrate a variety of organisational structures, and the coordination within specific sectors can differ significantly. In certain instances, sector-wide approaches (SWAPs) are crafted to concentrate exclusively on specific sub-sector components,

such as early childhood development. This limited focus may hinder the overall effectiveness of the sector (Molenaers, 2008; Boak & Ndaruhutse, 2011; Jinhwan & Kim, 2015). Furthermore, some SWAPs utilise modalities based on geographical regions—such as districts or provinces—which introduce unique complexities and challenges. Nonetheless, these approaches also offer distinct opportunities, particularly in addressing the needs of larger populations in densely populated areas of more populous nations (Boak & Ndaruhutse, 2011).

A literature review on sector-wide approaches reveals that certain partner countries prefer to structure SWAPs around a single sector, as this typically simplifies management, tracking, coordination, and monitoring (Boak & Ndaruhutse, 2018; Molenaers, 2008). The dominant argument is that a multi-sectoral approach can be unwieldy, particularly when achieving consensus, alignment, coordination, and accountability for results (Boak & Ndaruhutse, 2011; Molenaers, 2008).

Taking stock of the progression of Sector-Wide Approaches, there has been notable advancement in adopting SWAp principles across various countries, resulting in significant success (Boak & Ndaruhutse, 2011). In Uganda, the SWAp modality was introduced in 1999 in response to growing concerns that project-based aid was not yielding the desired outcomes (Boak & Ndaruhutse, 2011). At the governmental level, the rationale behind adopting SWAPs had the potential to enhance the effectiveness and efficiency of aid resources, align more closely with government priorities, and foster a transformative interaction between the study and resource

allocation (Boak & Ndaruhutse, 2011). This indicates that a primary motivation for governments to embrace SWAp strategies was to tackle the existing challenges in implementing government initiatives (Boak & Ndaruhutse, 2011). Furthermore, SWAps were anticipated to guide governments toward a sustainable trajectory, increasing the impact of aid and establishing a precedent for a paradigm shift in institutional development (Boak & Ndaruhutse, 2011).

The adaptation of Sector Wide Approaches is generally viewed positively by most partner country governments because of the principles they promote (Boak & Ndaruhutse, 2011). One key principle is partnership sustainability, which addresses the issues of reactive and ineffective partnerships common in previous modalities. Additionally, SWAps encourage sectors to develop a long-term vision and strategy. This helps achieve focused results, alignment, targeted investments, and effective stakeholder mapping and involvement. As a result, the Not-for-profit organisation sector has gained more opportunities for active participation, engagement, and involvement in role allocation and funding. This has led to increased relevance, acceptance, and sustainability. SWAps are praised for promoting clarity and articulation in sector and sub-sector plans while considering the broader context, including existing financial structures, macroeconomic indicators, and sector architecture (Boak & Ndaruhutse, 2011).

Sector-wide approaches (SWAs) are based on principles designed to improve the evaluation of sector performance, which are integrated collaboratively into program designs between donor agencies and the governments of recipient countries (Boak & Ndaruhutse, 2011).

Additionally, the SWAps framework requires a proactive, results-oriented and outward-looking agenda. The implementation process includes clearly defined review timelines, particularly developing a costed sector strategy aligned with the broader public financial management (PFM) framework (Boak & Ndaruhutse, 2011). The inclusive methodology of SWAps relies on the well-defined roles and active participation from donors and governments, emphasising key principles such as accountability, capacity building, and development (Boak & Ndaruhutse, 2011).

SWAps were established to address identified gaps in aid effectiveness, making it crucial to evaluate how they have contributed to or hindered this objective. The origins of SWAps are linked to the aid effectiveness discussions that began in 1999, during which development partners engaged in meaningful dialogue to enhance aid's profiling and strategic positioning for recipient countries (Molenaers & Renard, 2008). The principles underlying SWAps and aid effectiveness intersect, and the interaction between these elements involves harmonisation, alignment, and effective coordination among donors and aid recipient countries, as well as with not-for-profit organisations (The Netherlands Ministry of Foreign Affairs (MFA), 2004).

The primary challenges facing Sector-Wide Approaches in achieving aid effectiveness stem from issues of homogenization and alignment. These challenges are influenced by geopolitical factors, conflicting priorities among donors, and the domestic pressures they face to maintain relevance and visibility (Molenaers & Renard, 2008). The pursuit of aid effectiveness through SWAps has been significantly impeded by donors' reluctance to collaborate, which has,

in turn, compromised the overall effectiveness, efficiency, and sustainability of aid efforts (Boak & Ndaruhutse, 2011). In many situations, the high transaction costs associated with aid have adversely affected the performance of SWAps, undermining their initial intentions (Boak & Brannelly, 2009).

SWAps in fragile contexts exhibit heightened complexity due to the challenges associated with their design and implementation (Cabral, 2011). The limited capacities and dependency on aid often seen in these environments have compromised the core principles of SWAps aimed at promoting empowerment. This has resulted in situations where donors exert direct control over aid objectives (IHSD, 2003). Consequently, this direct oversight within SWAp arrangements has led to unintended outcomes undermining the government's anticipated ownership of these processes (IHSD, 2003; Cabral, 2011).

One of the challenges associated with Sector-Wide Approaches (SWAs) is their inherent weakness in modality, which tends to prioritise system strengthening and capacity building at the expense of investing in critical catalyst indicators that drive meaningful change, such as human development indicators (Cabral, 2011). This reflects a disappointing impact of SWAps, primarily due to their inability to cultivate genuine ownership and provide adequate coordination and aid management, often characterised by a top-down approach (Cabral, 2011). Nevertheless, SWAps remain a valuable model for advancing realistic expenditure programs, establishing standards, promoting focused sector policies, and harmonising and aligning coordinated procurement and

monitoring systems (May, 2011). Effectively addressing the risks inherent in SWAps requires comprehensive solutions to tackle the challenges associated with this approach.

Since this study examines SWAps related to NPOs' sustainability, the literature review reveals an observation that the content is skewed towards donor-government relationships rather than NPOs. It has been argued that defining the tenets of SWAps and the roles of different stakeholders, such as governments, the private sector, and NPOs, in delivering financing services is rather complicated (Foster & Mackintosh-Walker, 2001). Subsequently, there are a few examples where SWAps have expanded their scope to involve NPOs in conceptualisation, funding disbursement and implementation (Foster & Mackintosh-Walker, 2001). A few examples where SWAps have extended their scope beyond the government are scarce, and those available are confined mainly to the private sector. A few examples have highlighted that NGOs are speaking of less positive working relationships, where government ministries are bypassing NPOs to work with voluntary groups, thereby excluding the valuable input of NPOs in this discourse (Gideon, 2001).

In several countries where SWAps are operating, they are demonstrating a growing realisation and the need for the government to play a critical role in aid coordination, driven by the increasing number of donors in those countries (Boak & Ndaruhutse, 2011). Moreover, the need to strengthen the sectoral and sub-sectoral presence of donors and enhance sectoral and sub-sectoral coordination in response to the formulated sectoral strategies and approaches was a key

recommendation of the World Bank's Ghana Country Assistance (Boak & Ndaruhutse, 2011). In the same vein, regular reviews of SWAs' effectiveness have brought to the surface the neglected roles of NPOs and the private sector, which have primarily been confined to the review and preparation of strategy documents (Hill, 2002), citing (NORAD 1999 and Foster 2000; Foster & Mackintosh Walker, 2001).

Some countries have adopted and implemented a modality of operationalising the SWAs approach when procuring NPO services (Foster & Mackintosh-Walker, 2001). Indeed, several donors and partner governments have realised that NPOs play a critical role in delivering last-mile services and that they cannot be avoided when implementing sectoral SWAs (Foster & Mackintosh-Walker, 2001). The value added by NPOs in SWAs' strategy discourse lies in their ability to ensure that quality designs incorporating pro-poor approaches are formulated (Hill, 2002), as cited in NORAD (1999), Foster (2000), and Foster and Mackintosh-Walker (2001).

To address the gaps in SWAs, several NPOs have expressed dissatisfaction with the current silence on the role of NPOs and their contributions to strengthening the government's system and delivering services to citizens (Foster, 2000). The NPOs possess unparalleled capacities, demonstrate compelling experience in working with vulnerable people, boast the ability to facilitate social accountability that can hold duty bearers accountable, and have resources that can complement and scale the government's impact (Foster, 2000; Foster & Mackintosh-Walker, 2001). Donors' stance on channelling all resources through the government has stifled the financial

outlook of several NPOs, leading to a downturn and affecting their sustainability and resilience (Foster & Mackintosh-Walker, 2001). The NPOs argue that they are first responders in emergencies and have always relied on them in several countries to deliver services that the government has struggled to deliver (Foster & Mackintosh-Walker, 2001).

In response to the changing environment, some NPOs are at the forefront of advocating for the change of the SWAps' approach. In contrast, others have reworked their operating models and focused on government sectors receiving substantial funding through SWAps, hoping to be considered as implementing partners (Cabral, 2011). Moreover, several NPOs have formed coalitions to engage donors, including the World Bank, to reconsider this approach, citing the weaknesses in government structures and systems that initially led to the establishment of NPOs (Foster & Mackintosh-Walker, 2001).

There is evidence that governments, through their decentralised structures, often depend on not-for-profit organisations to address gaps in underserved communities. They rely on these organisations to provide essential services, such as access to water, education, and healthcare (Cabral, 2011). However, there is also a sense of dissatisfaction among NPOs, suggesting that the government leans on their interventions to report back to donors. This reliance may indicate the weaknesses in accountability within the SWAps system, occasionally leading to issues like double-dipping in reporting (Cabral, 2011; May, 2011).

NPOs contend that while governments are eager to engage them in meetings, they often overlook these organisations regarding funding partnerships, proposal development, and the disbursement of funds (Cabral, 2017; May, 2011). Although many NPOs express frustration with the SWAps approach, a select few that have successfully positioned themselves with government entities report positive outcomes, including funding through SWAps (Foster & Mackintosh-Walker, 2001). These NPOs have begun to forge partnerships with government sectors and operate collaboratively under clear frameworks and agreements (Cabral, 2011; May, 2011). While challenges in SWAps arrangements certainly exist, excluding some NPOs may indicate a lack of engagement skills or an inability to demonstrate their value propositions necessary for collaboration under SWAps effectively. It would be overly simplistic to assert that the shift in SWAps is solely responsible for the sustainability challenges faced by NPOs, especially given that some organisations report no difficulties working within the SWAps framework (Cabral, 2011; May, 2011).

Despite the aforementioned points, critical questions persist regarding the long-term impacts of the funding modality in Sector Wide Approaches (SWAs) on Not-for-profit Organisations (NPOs) sustainability. Specifically, there is concern about whether these changes may jeopardise NPOs' ability to effectively complement government initiatives (May, 2011). Additionally, NPOs must navigate the evolving landscape of SWAps, which embrace a multisectoral and multifaceted perspective (May, 2011). Given that SWAps utilise technical

methodologies intricately linked to government frameworks, NPOs often struggle to grasp these arrangements fully, placing them at a disadvantage (May, 2011). Furthermore, many NPOs lack the capacity for policy analysis, with only a select few able to engage meaningfully in policy-related discussions with development partners. This leaves them vulnerable and frequently excluded from critical conversations on a technical level (Cabral, 2011).

Given the longevity of Sector Wide Approaches (SWAs), it appears unlikely that they will be phased out anytime soon. SWAs have gained significant prominence in various countries and have become increasingly popular across multiple sectors, including health, education, and agriculture. These approaches continue to shape the dynamics between development partners and recipient nations, guiding the formulation of strategies and policies within these areas. They have effectively reduced aid fragmentation and lowered transaction costs, fostering intersectoral coordination and collaboration. As a result, government sectors perceive SWAs as a crucial foundation for ongoing development assistance, viewing them as a model that helps counter declining funding trends for governments in developing countries.

As this study transitions from a literature review of SWAs to an exploration of their effects on the sustainability of Nonprofit organisations, it is essential to recognise that there has been limited research on the relationship between SWAs and NPOs. Prior studies on SWAs have underscored their pivotal role in shaping sectoral policies and strategic plans through a consultative process that involves stakeholder endorsement as a crucial pathway to success. Equally significant

is the operationalisation of these sectoral plans, which entails developing comprehensive budget frameworks, monitoring and evaluation strategies, and learning systems with precise indicators to measure sector progress and performance effectively.

Moreover, the literature on Sector Wide Approaches indicates that the success of this strategy largely hinges on the recipient countries' capacity to fortify their financial foundations through the implementation of transformative sector policies. These pivotal policies can empower recipient governments, reinforce systems, and foster a sense of ownership over their development. Nonetheless, navigating the governmental landscape is intricate, and evaluating the strength or weakness of a sector often necessitates nuanced judgment due to the myriad factors that influence its dynamics.

SWAp's framework effectively addresses issues of coordination, collaboration, alignment, and harmonisation among development partners, particularly within the government's comprehensive planning processes, which include reporting requirements, budgeting, and financial management. However, applying and contextualising SWAs in fragile environments presents ongoing challenges, especially considering the critical pathways the government aims to pursue. Discussions in this area highlight the necessity for SWAps tailored to fragile contexts sensitive to the unique circumstances in which governments operate. This involves bespoke designs, agreements, and fit-for-purpose operating models. A key takeaway from SWAps is their perception as a potential solution for empowering governments and strengthening systems to

improve aid effectiveness and coordination. They are instrumental in fostering enhanced dialogue, partnerships, and consensus-building between development partners and recipient governments.

Result-Based Aid Approach

Result-Based Aid is a funding modality designed to track and identify evidence-based, quantifiable, and measurable outcomes that can be directly linked to the impacts of development cooperation and interventions (Klingebiel, 2012). This approach emphasises achieving outcomes that demonstrate both an “attribution effect” and an “affiliation effect” beyond the specific targeted interventions (Perrin, 2013). RBAs have seen widespread adoption as they have introduced a promising practice into the discourse surrounding development aid, particularly in light of the post-2015 development goals, which stressed the importance of documenting evidence and evaluating impact (Klingebiel, 2016). The uniqueness of RBAs lies in their goal to align aid disbursements with the intent to achieve specific development objectives and results (Klingebiel, 2012).

Multiple development partners have recognised Result-Based Aid as a transformative approach to overcoming the limitations of input-oriented aid disbursement. The RBA framework was specifically designed to address and mitigate the risks associated with input-oriented aid, including the absence of a definitive evidence base for results, elevated transaction costs, and bypassing national systems in partner countries (Klingebiel, 2012; Perrin, 2013).

The core principle of Results-Based Aid (RBA) is efficacy, although its interpretation remains limited (Klingebiel, 2012; Perrin, 2013; Janus, 2014). The RBA approach does not operate in isolation; it exists alongside various other methodologies within the landscape of donor aid and aid disbursement mechanisms. These include aid allocation, modalities, aid design, and foreign aid management (Addison et al., 2013). RBA has garnered considerable attention for its ability to showcase the last-mile results that many other modalities often overlook. It primarily emphasises the relationship between aid and its positive or negative impacts on economic growth (Clemens et al., 2004; Minoiu & Reddy, 2010; Addison et al., 2013; Easterly et al., 2003; Rajan & Subramanian, 2008).

This context highlights the insufficient overall impact of aid, which often lacks credible evidence and demonstrable results (Morrissey, 2010). Furthermore, there is a need for nuanced analysis to assess the impact of aid on overall human development and to determine whether the intended and targeted beneficiaries have been adequately served (Fielding et al., 2006; Morrissey, 2010; Kenny, 2011). The ongoing debates regarding whether aid effectively influences macroeconomic growth and/or enhances human development have significantly contributed to the rise of the Result-Based Approach (Kenny, 2011).

Results-based aid encompasses discussions surrounding various aid mechanisms' effectiveness and associated disbursement considerations (Tilley & Tavakoli, 2012). Numerous

conventions and meetings, including notable events in Paris and Accra (Wood et al., 2011), have been convened to explore aid effectiveness and establish principles and standards aimed at making aid more results-oriented and evidence-based. The adoption of results-based aid is intended to enhance aid effectiveness and foster stronger collaborative relationships between aid-recipient countries and their development partners (Pereira & Villota, 2012). Proponents of results-based aid argue that clear measurement criteria can reduce conflicts and improve relationships between donors and aid recipients. However, there remain concerns in academic literature regarding whether these approaches can effectively address the underlying causes of the study's weaknesses in other aid modalities, potentially complicating the ongoing discourse on aid effectiveness (de Renzio & Woods, 2008; Pereira & Villota, 2012).

The unanswered questions remain on whether result-based aid can provide long-term solutions for improving aid-related impact at all levels of measurement, whether result-based aid can be relied on to influence partners to undertake effective aid reforms and whether result-based aid principles bring to the fore principles that are aligned with the philosophies and drivers of effective aid (Klingebiel, 2012). In the current discourse on sustainable development goals, it is envisioned that aid and resource disbursement will continue to be significant, and funding channelled towards the implementation of globally agreed-upon sustainable development goals will also remain substantial (Klingebiel, 2012). Therefore, if result-based aid is relied upon to facilitate funding investment and measure results, it must demonstrate that it can address and cure

the gaps in aid effectiveness that several development partners are grappling with (Klingebiel, 2012). Moreover, these questions cannot be avoided beyond the scope of the Sustainable Development Agenda.

Regarding the definition of result-based aid, the literature confirms that no universally accepted definition exists for this terminology (Klingebiel, 2012). However, the features associated with this kind of aid modality, especially the mode of payment, where payments are only made when pre-agreed, verifiable targets and milestones have been achieved, are not being contested (Klingebiel, 2012). Unlike the cooperative agreement methodology, in which funding is directed to inputs and disbursed before implementation, result-based aid disburses funds only after the agreed-upon activities are achieved (Klingebiel, 2012). This means that the implementing partner must invest resources in implementing donor-preferred impactful activities and only be reimbursed if targets and milestones are verified to have been achieved at acceptable levels (Klingebiel, 2012).

The complexities surrounding the absence of a universally accepted definition of results-based aid are compounded by the conflicting terminologies used to describe various results-based approaches. Terms such as performance-based aid, payment-by-results aid, output-based aid, fixed-amount award modality, and contract-based funding are often used interchangeably (Pearson, 2011; de Henning & Rozema, 2011; Birdsall & Savedoff, 2011). A literature review has identified commonalities among these varied definitions that can be leveraged to standardise and

apply a results-based aid approach (Birdsall & Savedoff, 2011). These commonalities include characterising results-based aid as a funding modality involving development partners—specifically, a donor and a recipient partner—which can include government entities, the private sector, and/or not-for-profit organisations (NPOs). The funding disbursement in this context is conditioned on the ex-post concept of conditionality (Birdsall & Savedoff, 2011).

A significant aspect of result-based funding is incorporating a contract between the donor and the recipient partner. This contract outlines key milestones and incentives to produce and demonstrate verifiable results and targets (Pereira & Villota, 2012). The funding disbursement to the implementing partner is contingent upon achieving these pre-established performance milestones, as agreed upon in advance (Pereira & Villota, 2012). When the specified results are met, funding will be released; conversely, if these results fall short of the agreed-upon thresholds, payments will be withheld, leading to potential losses for the implementing partner (Klingebiel, 2012). The negotiations and agreements surrounding result-based aid encompass establishing indicators, clear definitions of those indicators, units of measurement, and specific targets (Klingebiel, 2012).

Result-based aid models are a funding approach that fosters genuine dialogue between donors and their recipient partners regarding what will be measured and how to evaluate performance (Klingebiel, 2012; Pearson, 2011). The verification of results relies on a costing methodology that specifies the expected outcomes for performance periods (Klingebiel, 2012;

Pearson, 2011). This payment modality aligns with achievement benchmarks, which include establishing targets for full payment upon successful completion, partial payment for intermediate achievements, and a threshold beyond which no further payments will be anticipated (Klingebiel, 2012; Pearson, 2011; Pereira & Villota, 2012). Key packages containing activities contributing to acceptable outputs are determined based on the sector, with specific performance targets assigned to each output (Pearson, 2011; Pereira & Villota, 2012). Additionally, the costs encompass the implementation of models, and part of the verification process involves assessing the fidelity of the model's implementation. Reimbursement is grounded in the budgeted costs rather than on itemised expenditure reports (Pearson, 2011).

At the implementation level, results-based funding has been expanded to include the development of tools, intervention packages, and multi-layered models that support the execution and demonstration of outcomes (World Bank, 2011a; CoP-MfDR, 2011; OECD & World Bank, 2008). For instance, in the health sector, particularly in HIV management, the implementation of results-based funding involves defining key milestones at various levels: national, regional, household, caretaker, beneficiary, and community (Pearson, 2011; de Hennin & Rozema, 2011; Birdsall & Savedoff, 2011). Integrated packages encompassing multifaceted interventions and pathways for change are established, alongside the associated implementation costs (de Hennin & Rozema, 2011). Implementing officers engage in comprehensive planning, capacity building, and developing tools to be utilised throughout the monitoring and evaluation cycle (de Hennin &

Rozema, 2011). There is a clear connection between implementation activities and their contributions to desired outputs, ultimately determining whether funding is disbursed or withheld by the donor (Pearson, 2011; de Hennin & Rozema, 2011).

Results-based aid involves several phases that outline the roles and responsibilities of the partners in the funding relationship. Three primary phases characterise this approach. The first phase is pre-award negotiations, which include initiating, preparing, and signing a contract between the development partners and the recipient country (Pearson, 2011; de Hennin & Rozema, 2011). This phase is critical as it establishes what will be measured. It entails identifying the intervention sectors essential for addressing development gaps in the recipient country and determining if the results-based aid approach is suitable (Pearson, 2011; de Hennin & Rozema, 2011). Challenges during this stage often arise from the difficulty of setting aside donor interests, as many donors tend to prioritise sectors like health and education over others (Klingebiel, 2012; Perrin, 2013; Janus, 2014). This focus can lead to overfunding, complicating the attribution of results to specific interventions in a results-based framework. Additionally, it can create double-dipping in reporting and duplication of efforts, allowing implementing partners to avoid the accountability expected in this funding modality (Janus, 2014).

The contracting phase presents challenges, particularly in establishing a sustainability roadmap beyond the implementation stage. The implementing agency must define interventions to sustain the results once donor funding is unavailable (Klingebiel, 2012). During this phase,

partners discuss defining what will be measured, including reaching a consensus on indicators that meet the interests of donors, the recipient partner, and/or beneficiaries (Klingebiel, 2012). The alignment of contractual obligations and performance must be backed by a robust monitoring and evaluation process, which includes conducting baseline assessments, data collection, evaluation of results, analysis, and reporting (Janus, 2014; Klingebiel, 2012). Additionally, agreeing on pricing methodologies can be challenging, particularly determining which results are appropriate for pricing and payment (Klingebiel, 2012).

The second stage involves implementing the activities agreed upon in the contractual phase. This phase is the most complicated phase that the implementing partner faces. The challenge of this phase is the availability of funds to prefinance activities, as disbursement is only available after successful performance (Janus, 2014; Klingebiel, 2012). This presents another challenge in managing risks, including the availability of funding reserves that would mitigate the impact of not achieving the expected results (Pearson, 2011; de Hennin & Rozema, 2011). This phase is equally marred by uncertainties that may not have been predicted and envisaged at the negotiation stage. The question remains: Who bears the costs of eventualities beyond the partner's control (Pearson, 2011)? Moreover, the implementing partner's capacity to implement will not be negotiated in this stage, and the onus is lumped on the partner to devise means to provide remedial solutions for this (Pearson, 2011). Verifying results and reporting takes time. The implementing

partner's inability to meet overhead costs associated with this modality puts them in a precarious situation and risks litigation due to employee salary delays (Pearson, 2011).

The third and final phase is the verification and payment phase, based on the performance targets set at the project's inception. It involves a laborious exercise that combines self-reporting and external verification before agreed-upon milestones are paid and a decision is made (Klingebiel, 2012). On the one hand, implementing partners may use data falsification practices to secure payment (Klingebiel, 2012). Similarly, the donor's payment and verification processes, as determined by the donor, may be delayed due to the donor's delayed procurement processes (Klingebiel, 2012). Both partners must undertake regular reflections and interfaces that enable the prompt and proactive troubleshooting of results (Janus, 2014). After all, this is not about who is achieving, as the efforts are geared towards addressing issues of community well-being. Good understanding, mutual respect, and openness will go a long way in facilitating this stage and executing it amicably (Pearson, 2011).

Whilst the result-based aid concept has been around for some time, literature related to this methodology is limited (Klingebiel, 2012; Perrin, 2013; Janus, 2014). The implementation of result-based aid has taken different forms with several development partners. For example, the European Union has used result-based aid types with governments in developing contexts, employing a methodology of variable tranches based on performance and results-based agreements (Perrin, 2013; Janus, 2014). The European Union is particularly fond of supporting the health,

education, and water sectors and advocacy activities while utilising methodologies found in result-based aid funding (Klingebiel, 2012). There is consensus that governments that have accessed funding using this methodology are satisfied with it, as it allows development aid inflow to be more predictable, given that commitments are based on legally binding contract terms, and this acts as an incentive for recipient agencies to deliver the agreed-upon results (Klingebiel, 2012).

The US government has also utilised the result-based approach in several countries it supports, and delivery and performance, as well as payment disbursement, are guided by the principles inherent in this approach (Klingebiel, 2012; Perrin, 2013; Janus, 2014). The US government is ahead of the game through its international aid department, USAID, which provides benchmarks for other development partners to follow (Klingebiel, 2012). They have developed policies, guidance and procedures that have stood the test of time in delivering a result-based approach (Klingebiel, 2012).

While the UK's Department for International Development has adopted a result-based aid approach, it is noted that it has not yet been utilised at scale. Few countries, including Ethiopia, have benefited from this arrangement (Klingebiel, 2014). The reason for this is not fully understood. However, it is assumed that the requirements of a result-based approach are complex and will necessitate different competencies to support this modality (Klingebiel, 2014). On the other hand, the instruments guiding this approach are not readily available, and it is not surprising

that the World Bank only introduced a result-based approach instrument in 2012 (Klingebiel, 2014).

A key motivation for result-based funding is its ability to incentivise recipient governments and NPOs to achieve results (Klingebiel, 2014). There is a direct correlation between the study results and payment, which energises the participating agencies to work hard to achieve the results and subsequently receive payments (Klingebiel, 2014). On the other hand, Result-Based Funding is lauded for its excellent methodology that promotes sustainability and ownership of the results, including strengthening the accountability of the implementing agency and its partners (Roll, 2011). The advantage of this funding modality is that it limits the role of development partners, prompting aid beneficiaries to take ownership of their activities and leading to empowerment (Roll, 2011; Klingebiel, 2012).

Several funding modalities face challenges in measuring and verifying results; result-based funding, on the other hand, has overcome these challenges through its study-defined process of results verification inherent in its design (Roll, 2011; Klingebiel, 2014). Many development partners have recognised the importance of utilising this funding modality, affirming that aid instruments applicable to this modality enable visible benefits and demonstrate solid evidence of results and impact (Perrin, 2013; Janus, 2014). However, there has been some concern within the literature that, due to the complexities in defining results, there is a tendency to oversimplify the

attribution of causal results, which can lead to the exaggeration of results (Perrin, 2013; Janus, 2014).

Regarding the study's results-based funding assumptions, it assumes that the recipient governments and implementing agencies, including NPOs, are responsive to this methodology (Roll, 2011). Several countries in sub-Saharan Africa, dependent on aid and handouts, do not demonstrate an appetite for this funding modality. The literature confirms that many government structures in developing countries have a systemic culture of poor performance and a lack of demand for accountability, which makes them resistant to such modalities (Roll, 2011; van de Walle, 2005). It is equally argued that over-reliance on result-based funding can lead to unintended consequences, including an imbalanced emphasis on priorities, especially neglecting indicators that are not quantitative (Roll, 2011).

The result-based funding approach assumes the capacity of recipient governments and agencies; however, governments and agencies in developing countries often lack the capacity to implement such mechanisms. Moreover, the information system and data platforms are the key in supporting evidence of achievement (Roll, 2011; van de Walle, 2005). The definition of results that is prominent in result-based aid requires recipient countries to demonstrate strong design, monitoring, and evaluation processes to support the demonstration of results, which is an uphill task for these agencies (Roll, 2011; van de Walle, 2005; Klingebiel, 2012).

Result-based funding assumes that impact measurement can be achieved in all sectors, and this assumption may be valid in specific sectors, such as water, health, and transport, as well as sub-components of other sectors (Klingebiel, 2012). Other sectors, especially those in governance and advocacy, are qualitative; therefore, their results are difficult to quantify as required by the RBA approach (Klingebiel, 2012). Moreover, indicator shifts are determined by the prevailing circumstances, and good indicators that are not prioritised can suffer vulnerabilities and fail to be included as they were not agreed upon in the earlier performance contract (Klingebiel, 2014)

Developing countries grapple with governance issues, and the fact that result-based funding cannot articulate qualitative results leaves many agencies and organisations that focus on such areas at a disadvantage (Klingebiel, 2012). This equally contributes to sustainability problems for such entities (Klingebiel, 2012). The result-based funding approach, which allows for the automatic payment of achieved results, could cause harm by failing to verify whether compliance and safeguarding mechanisms are adhered to throughout the performance period. Literature has argued that result-based funding is not promising for supporting good governance and strengthening social accountability systems (Klingebiel, 2014).

Under the result-based funding mechanism, there is an assumption that recipient countries and agencies have sufficient funds to prefinance activities before they are paid (Roll, 2011; van de Walle, 2005; Klingebiel, 2014). In designing result-based funding, consideration was not given to providing solutions that would be all-inclusive (van de Walle, 2005). Most agencies targeted by

result-based methodologies and not-for-profit organisations do not have readily available resources; resources are typically designated to beneficiaries (van de Walle, 2005). In such organisations, even their financial books and balance sheets do not include profit and loss statements. At the end of the year, they spend everything and depend on the availability of funds to start a new financial year. If they implement a result-based modality, they will struggle with pre-financing capability (Klingebiel, 2014).

Because result-based funding primarily focuses on quantifiable results, with less regard for supporting processes, including procurement and institutional governance, it exposes itself and the entire organisation to fiduciary risks (Leiderer, 2012). Therefore, this casts doubt on whether result-based funding is adequate to ensure that governments and organisations are left more potent, resilient, and sustainable than before (Leiderer, 2012). Moreover, result-based funding appears to be concerned with quick wins and may not address complex indicators that require long-term attention in terms of time and resources (Leiderer, 2012; Klingebiel, 2012). Equally, result-based funding appears to decline nationally, and sub-national fragilities are prevalent in many developing countries and contexts (Leiderer, 2012). The complex factors in these contexts render the principles of result-based funding, including seamless implementation, untenable and not applicable in many contexts (Leiderer, 2012; Klingebiel, 2014). The results and targets under the funding modality of result-based funding are often considered unrealistic and represent dismal achievements in critical development indicators (Leiderer, 2012).

While result-based funding mechanisms appear to have numerous challenges, the literature suggests they are suitable mechanisms for promoting a culture of performance and accountability, and should be maintained (Leiderer, 2012; Klingebiel, 2014). It is argued that the challenges can be navigated by designing fit-for-purpose solutions for each of the anticipated challenges; some options, for example, can be generated to address pre-financing capacities and challenges, including consideration made by the donor to provide the funding for the first cycle of results and increasing supervision to keep the momentum of incentive for performance going; Equally governments and organisations receiving this funding could tap on the internal flexible funding and arrange an internal reimbursement once the payment is received; on the other hand, recipient governments and/or other entities could negotiate with donor borrowing options which could be brokered for low interests (Roll, 2011; van de Walle, 2005; Klingebiel, 2014)

Result-based funding promotes accelerated development and addresses the handout mentality prevalent in developing governments and organisations (Klingebiel, 2014). It is incumbent upon the receiving agencies to exercise innovation and entrepreneurial skills as they pursue development (Klingebiel, 2014). To navigate the weaknesses of result-based funding, which often result in limited funding for systems strengthening, the design of an RBA can intentionally incorporate technical assistance budget lines to address capacity building and data information systems strengthening (Leiderer, 2012). An upfront investment could be set aside with clear guidance to enable the funding recipient to undertake activities of capacity building,

including procurement of a supportive monitoring and evaluation system (Leiderer, 2012; Klingebiel, 2012)

Conditionalities inherent in the result-based funding modality predispose partner countries to low disbursement levels on the one hand and low absorption of funds by recipient countries on the other (Roll, 2011; van de Walle, 2005). It is never the intention for a result-based funding modality to stifle the achievement of development indicators for recipient countries, including their sustainability. Therefore, a solution to ensure the achievement of results needs to form part of the package of this modality (Leiderer, 2012; Klingebiel, 2012). A supportive operating model that is agile, adaptive, and responsive to the recipient agency's needs must be prioritised if this modality is to accelerate the performance and sustainability of fund recipients (Leiderer, 2012; Klingebiel, 2012).

Moreover, the risks associated with low implementation must be addressed in the design process by building a co-creation process that enables partners and beneficiaries to design solutions to mitigate these risks accordingly (Leiderer, 2012; Klingebiel, 2012). The design process must be carefully crafted to anticipate challenges in advance and provide proactive solutions that support execution with excellence (Leiderer, 2012; Klingebiel, 2012). An integral part of the design and implementation process should include a learning agenda to facilitate reflection on emerging insights and support flexibility in navigating these challenges (Leiderer, 2012; Klingebiel, 2012).

Openness, transparency, and accountability, as adaptive leadership, should be prioritised throughout the cycle of implementation (Leiderer, 2012; Klingebiel, 2012)

Result-based funding is not one-size-fits-all; therefore, it should be made clear that there are areas where it is appropriate and others where it cannot be applied (Klingebiel, 2012). Literature confirms that result-based funding is appropriate for social sectors, such as education and health, as well as a few other sub-areas of other sectors, including sanitation. Standard features supporting result-based funding include defining development objectives and results guided by globally aligned goals, such as the Sustainable Development Goals. The results associated with this modality should be easily transferable and scalable to other contexts. Data related to the defined objectives is in easy proximity, and instruments are available to support the generation of the same; there is enough clarity, and there are no anticipated conflicts related to the significant definition of results within the involved parties (Klingebiel, 2012)

Applying the result-based funding modality continues to be challenging for several agencies, including the government. Implementing result-based aid and funding in government institutions is often challenging due to the difficulty in identifying appropriate indicators that align with the recipient government's and partner country's priorities (Leiderer, 2012; Klingebiel, 2012). Some indicators in governments and agencies are process-oriented, making it challenging to formulate indicators that capture quantifiable results at the outcome level (Leiderer, 2012; Klingebiel, 2012). Moreover, political sensitivities at both the national and international levels

make it even harder for the involved partners to reach a consensus on, for example, human rights and governance-related indicators (Klingebiel, 2012).

It is envisaged that result-based aid can be utilised most effectively at the fiscal decentralisation level rather than elsewhere in the government. Fiscal decentralisation provides an opportunity to generate baseline data that can be used to establish strong targets, making it possible to track the progress of funding disbursed to local governments under the modality of result-based aid (Klingebiel, 2012). Subsequently, some donors have taken advantage of the clarity and opportunity to implement result-based aid (RBA) and designed corresponding funding mechanisms at the fiscal decentralisation level (Steffensen, 2010). The World Bank has equally designed results-lending-based grants utilising opportunities available at the fiscal decentralisation level of the government (Steffensen, 2010).

Experiences with RBAs are still in the early stages of development and have a low uptake worldwide. This can be explained by the fact that RBAS require a rigorous system and competencies, a shift that may not be a priority in many governments (Janus, 2014). In countries where a result-based approach has been implemented, results have shown potential and risks associated with the approach, as seen in Ghana and Tanzania (Janus, 2014). To provide an in-depth analysis of this literature review, insights from these countries are examined to understand the successes and weaknesses associated with this modality (Janus, 2014).

The result-based approach applied in Ghana under the District Development Fund (DDF) facility, supported by numerous partners, including Germany, France, and Canada, is premised on strengthening fiscal decentralisation and government service delivery at the local level (Janus, 2014; MLGRD, 2012). In contrast, Tanzania was funded to strengthen the Urban Local Government Strengthening Program (ULGSP) (World Bank, 2012). The result-based funding was based on the performance results of strengthening local government, enhancing local structures, and efficiently delivering services (Janus, 2014). The pillars of result-based funding are proposed to be studied by regularly assessing local structures against the public financial management indicator performance framework (Janus, 2014). The assessment results are used to define the targeted performance targets, and contracts are drawn based on the targets set for the funding period, done transparently while recognising the government's discretion in the disbursement of funds within the local administration (Janus, 2014).

The adoption of result-based funding has been noted in the funds disbursed to the government, especially at the local government level (Janus, 2014). While in NPOs, payment by results is pegged at the outcome and impact level, for governments, results are pitched lower at the input and output level (Janus, 2014). This could mean that NPOs are challenged to deliver impactful results because the clarity of interventions is not always the same as the government's complexities (Janus, 2014).

However, at the government level, utilising the opportunities available at the decentralisation level, the funding modality found in result-based funding is used to design programs that focus on resource management, with enlisted indicators to capture changes in indicators and general shifts in baseline values (Janus, 2014; MLGRD, 2012). The indicators anchored at the government's financial decentralisation level are viewed from the angle of facilitating the achievement of requisite service delivery. They are thus regarded as proxy or intermediate indicators. The advantages of these indicators feed directly into the development indicators; thus, pushing results at this level is a worthwhile venture (Janus, 2014).

Notwithstanding this, several challenges remain noticeable in the model, as evidenced by results from the result-based aid implemented in Ghana and Tanzania. An observation was that donors drove the design of result-based aid applicable in these contexts. At the same time, it is understandable that clarity was needed, as this was a pilot study, and the continuation of the same would be a recipe for model failure (Leiderer, 2012; Klingebiel, 2012). The appropriate methodology would have accommodated the aid recipient partners so that they could learn from the action and appreciate the philosophies of the modality (Leiderer, 2012; Klingebiel, 2012). Considering that implementation was to be undertaken by the aid recipient partners, they would have been empowered if they had participated in the design, and their technical capacities would not have remained the same (Leiderer, 2012; Klingebiel, 2012). The experience and learning from

these countries emphasise the need for recipients of funding to be actively involved throughout the design and implementation cycle (Klingebiel, 2012).

Related to the above, compromised ownership was observed in the pilot countries when implementing result-based aid (Klingebiel, 2012). The funding modality was designed with a structure perceived to duplicate existing structures, a practice that contravened the principles of effective aid and increased the cost burden associated with additional structures (Leiderer, 2012; Klingebiel, 2012). On the other hand, while improvements in donor harmonisation were registered, these improvements were achieved at the expense of disregarding the harmonisation needed at the government and country levels (Leiderer, 2012; Klingebiel, 2012).

Result-based aid and funding implemented in Ghana and Tanzania showed that aid conditionalities associated with modality undermine the progressive achievement of results (Leiderer, 2012; Klingebiel, 2012). It was observed that while aid was disbursed based on the anticipated favourable environment in both countries, the prescribed conditions led the government to doubt the intentions, as they required new adjustments to accommodate these conditions (Leiderer, 2012; Klingebiel, 2012). Particularly in Ghana, there was a notable improvement in fiscal decentralisation in the initial periods. However, this progress stagnated in the subsequent years due to the need for additional layers to manage compliance activities (Leiderer, 2012). The results from Ghana's short-term study showed that assessments made on some districts showed strong performance, including surpassing targets in a very short time. The

results achieved more easily prompted a reflection on this model's relevance and the assessment results' accuracy (MLGRD, 2012) in circumstances where the indicators the were easily surpassed, it was unclear whether the district demonstrated the intended incentive to perform or whether a factor of under-targeting was at play (Leiderer, 2012).

While the result-based aid and funding modality is seen as taking a strong stance to ensure performance, it is equally compromised by the intersectionality between donor and recipient countries and other external factors (Leiderer, 2012). Donor countries set targets and commit funding to aid disbursement, meaning it is in the interest of donor governments to disburse aid within the year of commitment (Leiderer, 2012; Klingebiel, 2012). On the other hand, recipient countries are under pressure to mobilise as many funding resources as possible, partly to meet their budget deficits but also due to mounting pressure from politicians to disburse funding even when results are not achieved (Leiderer, 2012; Klingebiel, 2012). The intersectionality lies in the fact that the interests of both the donor and the aid recipient are considered, resulting in result-based aid targets (Leiderer, 2012; Klingebiel, 2012). With this background, a commitment to the RBA approach and modality is a non-starter for developing and recipient countries (Leiderer, 2012; Klingebiel, 2012).

Results-based aid funding learnings from the pilot countries represent only a tiny portion of the broader decentralisation activities. They cannot be entirely relied upon to derive performance across local governments and districts (Grossman & Lewis, 2013). The approach

must be adapted and contextualised to meet and align with the local context to remain relevant (Grossman & Lewis, 2013). Generally, a literature review regarding RBA does not raise concerns regarding the modality; however, there is interest in scaling this model (Grossman & Lewis, 2013).

For RBA to be situated, care must be taken by the aid recipient countries to consider the implications of changes they make while fulfilling their commitments in funding related to result-based aid. For instance, Ghana challenged the modality when the government continued to divide and create new districts (Grossman & Lewis, 2013). In Tanzania, while acknowledging that RBA works better at decentralised levels, the government and donors supported a shift toward re-centralising districts, which affected the implementation of ongoing result-based aid funding (Tripp, 2012). For RBA to work more effectively, there is a need to invest in redefining decentralisation systems so that the modality can efficiently support incentives geared towards improved performance of local governments in respective countries (Tripp, 2012).

The learnings and experiences from Ghana and Tanzania emphasise the importance of designing RBAs to suit and align with aid effectiveness principles, including harmonisation, ownership, empowerment, and general alignment (Grossman & Lewis, 2013). The learning also underscored the complexities of aligning and adjusting incentives in risk-based aid funding modalities with local and country contexts (Grossman & Lewis, 2013). Notwithstanding the challenge, results generated from the pilot of this funding modality demonstrated the potential of this mechanism to accelerate development and foster a performance-based culture (Tripp, 2012).

Conclusion for Result-Based Aid Funding Modality.

The advantages of the results-based aid (RBA) funding modality are widely recognised across the literature. Nevertheless, these benefits manifest differently depending on the context, highlighting the necessity for tailoring RBA to distinct designs and environments (Grossman & Lewis, 2013). The evolving discourse surrounding RBAs points to various approaches and design methodologies (Grossman & Lewis, 2013). The ongoing debate about where RBAs are most applicable includes arguments from various stakeholders advocating for their alignment with budget support at both macro and sectoral levels (Grossman & Lewis, 2013). In contrast, other frameworks propose that RBA interventions should be directly linked to enhancing performance outcomes, emphasising high-impact activities at the sectoral or sub-sectoral levels (Tripp, 2012). A commonality across these emerging approaches is their commitment to a performance-based perspective, regardless of the application level (Tripp, 2012). Additionally, numerous stakeholders perceive RBAs as instrumental in advancing the Sustainable Development Goals (SDGs) (Grossman & Lewis, 2013). However, there are significant concerns regarding the RBA modality's efficacy in fragile contexts or countries with limited systems and infrastructure, which may undermine the development and attainment of results (Tripp, 2012).

The insights gained from implementing RBA in diverse contexts emphasise the importance of studying this approach's advantages and disadvantages during its design and execution (Tripp, 2012). Identified risks associated with RBAs can mitigate their potential benefits, particularly

when the focus shifts towards results that cater primarily to donor interests (Tripp, 2012). Such biases in implementation—especially if they favour higher-performing countries—pose serious threats to the sustainability and effectiveness of the RBA framework (Grossman & Lewis, 2013). Evidence suggests that RBAs are more effective in environments characterised by the well-aligned efforts, competent leadership, and robust operational systems, including financial and management frameworks (Grossman & Lewis, 2013).

The RBA funding modality has been shown to enhance the establishment of credible evidence through demonstrable performance metrics, particularly in social sectors (Tripp, 2012). However, the literature indicates that this funding modality is less suited for assessing governance and governance-related issues, including advocacy and human rights (Grossman & Lewis, 2013). Nonetheless, there is potential for the RBA to be adapted to strengthen public financial management, including addressing decentralisation challenges, as evidenced by case studies from Ghana and Tanzania (Grossman & Lewis, 2013).

Reliance on a result-based aid funding model is increasingly recognised as a mechanism for enhancing effectiveness in budget support. According to the study, the implementation of this model has encountered longstanding challenges, primarily due to its dependence on quantifiable outcomes inherent to the budget support framework (Tripp, 2012). While RBA modalities are designed to achieve specific results with a degree of flexibility, donors often struggle to reconcile performance metrics with the inherent need for adaptability within this approach (Tripp, 2012).

The challenges faced by result-based aid stem partly from a knowledge deficit; empirical studies are sparse, and the available personnel often lack comprehensive expertise in applying RBA within the context of not-for-profit organisations and their sustainability (Tripp, 2012; Grossman & Lewis, 2013). The literature primarily confines RBA discussions to governmental contexts, with scant attention paid to resources and frameworks that aid the development work of NPOs in collaboration with government entities, including the impact of these dynamics on the resilience and sustainability of NPOs.

No single donor can effectively implement an RBA modality and achieve results at scale independently (Grossman & Lewis, 2013). Collaborative efforts among donors on joint programming are essential for conceptualising and co-creating RBA strategies for governments, which can optimise attaining desired results (Grossman & Lewis, 2013). Such collaboration can potentially reduce transaction costs associated with aid, as it fosters collective monitoring and learning, thereby enhancing coordination and alignment with implementing governments (Leiderer, 2012; Klingebiel, 2012). In complex scenarios, the effectiveness of RBA can be significantly amplified by inclusive coordination and alignment across sector-based approaches involving all relevant stakeholders, including NPOs (Leiderer, 2012; Klingebiel, 2012).

Establishing a universally accepted definition of RBA that adequately reflects the interests of donors and local implementing partners is imperative for standardisation efforts (Leiderer, 2012; Klingebiel, 2012). Furthermore, an enabling environment is essential for the successful execution

of RBA, necessitating that aid-recipient countries prioritise reforms that facilitate this modality as a condition for accessing funds. Literature indicates that RBA is most effective when the implementing entities and governmental structures are receptive to its principles. However, many developing nations often see public institutions and governments neglect performance measures, which can jeopardise the RBA approach unless addressed at the design stage (Leiderer, 2012; Klingebiel, 2012).

Key stakeholders' active engagement and collaboration are crucial determinants of RBA success. A context-sensitive design and execution of this funding modality must be driven by local partners to ensure that results are sustainable and resilient (Grossman & Lewis, 2013). An adaptive approach characterised by open dialogue and engagement is necessary to facilitate empowerment and ensure the continuity of results post-implementation (Grossman & Lewis, 2013). Despite its promise, the RBA funding model presents inherent challenges, including tensions between model implementation and the ongoing operational demands at the level of implementing agents (Leiderer, 2012; Klingebiel, 2012).

The ongoing discourse surrounding RBA significantly influences both aid strategies and academic debates regarding its effectiveness in enhancing aid impact, allocation efficiency, conditionality, and the sustainability and empowerment of partners (Klingebiel, 2012). The theoretical underpinnings of RBA facilitate conditions for donor accountability, which are often

shaped by geopolitical and in-country dynamics. Critically, some argue that this framework may perpetuate donor-centric interests rather than altruistic goals (Leiderer, 2012; Klingebiel, 2012).

The findings from the pilot sites underscore the apparent efficacy of results-based aid, particularly when focused interventions are executed within specific sectors and high-value indicators relevant to those sectors are prioritised. This modality operates under the premise that its effectiveness is guided more by technical parameters than by political motivations. Evidence from pilot implementations in Ghana and Tanzania supports this perspective (Grossman & Lewis, 2013).

This approach challenges the conventional wisdom surrounding traditional aid modalities, often reflecting the deficiencies in ownership and accountability within aid recipient countries. Such deficiencies hinder their ability to drive outcomes that align with globally established priorities, such as the Sustainable Development Goals. A key distinguishing feature of results-based aid is its innovative nature, offering a departure from past practices (Grossman & Lewis, 2013). However, it is crucial to dissociate RBA from any perceived or actual political biases. Proponents of this model must maintain a nonpartisan stance throughout the implementation process to foster trust and confidence among implementing entities and government stakeholders.

Future research on results-based aid should consider examining RBA modalities within the context of not-for-profit organisations, exploring the implications of this transition on NPOs'

sustainability and the dynamics of their relationships with governmental bodies in their operational environments.

Donor Aid Allocation Determinants

There is an increasing acknowledgement that donor aid allocation is primarily driven by two overarching themes: the altruistic imperative to address the humanitarian needs of the world's most impoverished and vulnerable populations and the donor entities' strategic interests (Gulrajani & Calleja, 2019). Historically, these themes have been depicted as intertwined components of a singular framework. It is anticipated that the decision-making processes regarding aid allocation will reflect a nuanced interplay between these two motivations, varying in emphasis according to contemporary contexts and the geopolitical landscape of donor countries (Lancaster, 2007; Mawdsley, 2018; Keijzer & Lundsgaarde, 2018; Gulrajani & Calleja, 2019).

From the perspective of donor self-interest, it is notable that donors possess discretionary authority to modify aid strategies in recipient nations, often with minimal engagement from those nations, allowing them to suspend aid operations as perceived necessary (Acharya & Moore, 2006). This discretionary power enables bilateral donors to recalibrate their assessment criteria and eligibility requirements, ensuring that aid allocation aligns with the recipient's situational dynamics, encompassing political contexts, economic incentives, geographical considerations, cultural values, and historical ties (Steffensen, 2010; Rogerson, 2011; Dreher & Nunnenkamp, 2015).

Academic discourse has highlighted the risk that such flexible approaches may lead to aid duplication and fragmentation, raising sustainability concerns for not-for-profit organisations (NPOs). These shifts obligate NPOs to adapt to the evolving priorities of donors, often at the expense of their inherent identities, missions, and long-term viability (Gehring et al., 2017; Rogerson et al., 2009). The development finance literature (Jean-Claude, 2005) has long debated the influence of egoistic motives in donors' aid allocation decisions. Nevertheless, the discourse around donor behaviour—often perceived as self-interested—persists, particularly concerning how aid aligns with recipient countries' merits and prevailing needs (Burnside & Dollar, 2000). Concerns about aid efficiency have arisen due to potential biases in bilateral donor allocations, which may undermine the anticipated effectiveness of such aid (Dreher & Nunnenkamp, 2015). For example, Burnside and Dollar (2000) argue that bilateral donors often prioritise objectives that serve their own post-colonial and geopolitical interests over the genuine developmental needs of recipient nations.

This ongoing debate around the nexus of donor aid allocation and its impacts on recipient economies has prompted numerous empirical investigations. Research has explored the economic effects of foreign aid (Doucouliagos et al., 2008; McGillivray et al., 2005; Ouattara et al., 2008), the influence of political institutions on aid outcomes (Kilby & Dreher, 2010; Knack et al., 2007), and the volatility of aid concerning recipient economies (Buffie et al., 2009; Arellano et al., 2009; Doucouliagos et al., 2008; McGillivray et al., 2005; Ouattara et al., 2008).

In Uganda, literature addressing donor assistance to governmental and non-governmental entities indicates that foreign aid often arises from humanitarian imperatives while concurrently reflecting donor nations' political and economic interests (Lancaster, 2007; Bulir et al., 2011). The rationale for humanitarian motivations is grounded in altruism, positing a moral obligation for affluent countries to support developing nations and their populations (Moyo, 2009; Lundsgaarde, 2012).

Uganda's strategic significance is particularly highlighted within the context of the African Union's military framework, its engagement in peacekeeping missions in Somalia, and its economic interests in Central Africa. This positioning has attracted attention from various bilateral donors, including the United States, the European Union, Belgium, and the United Kingdom. Such recognition has played a crucial role in sustaining donor aid, mainly as a mechanism for these countries to safeguard their geopolitical and economic interests (DFID, 2014; Habraken et al., 2017). The political dynamics influencing donor assistance suggest that developed nations often seek to leverage political alliances with Uganda and similar developing countries for broader strategic benefits (Ravenhill, 2008). However, some scholars argue that the political motivations underpinning aid to Uganda may be more nuanced, with a notable absence of robust empirical evidence from academic inquiries, media reports, or in-depth evaluations (Moyo, 2009; Mthanda, 2006).

Scholarly discussions also highlight that economic self-interests underpinning donor aid

allocation have become increasingly pertinent, particularly as developed nations seek to expand their markets (Williams, 2011). An illustrative example is Nestlé's Cerelac baby food product, which faced criticism for deploying questionable marketing strategies, suggesting superiority over breastfeeding (Baby et al., 1997). Additionally, bilateral donors often attach conditions to aid, facilitating opportunities to offload food surpluses through food assistance programs (Williams, 2011; Callinicos, 2009).

The motivations behind donor aid funding in Uganda are multifaceted and often generate divergent perspectives within the donor community, shaped by varying degrees of understanding and involvement in Uganda's socio-economic and political landscape (Kasirye & Lakal, 2019; Fafchamps & Owens, 2009). The evolution of donor motivations, aligned with changes in Uganda's policy environment, has catalysed the proliferation of not-for-profit organisations (NPOs), as many donors are increasingly channelling humanitarian assistance through these entities. However, this trend raises significant sustainability concerns for NPOs, particularly as some donors have begun to deprioritise their funding allocations to Uganda, thereby jeopardising the operational viability of these organisations (Habraken et al., 2017).

International Donors' Aid Socio-Economic, Political and Governance Factors

This section analyses the socio-political, governance and economic determinants that guide donor decisions in distributing aid to governmental entities and not-for-profit organisations (NPOs). Numerous scholars contend that donor aid enables international donors to fulfil their

social, political, and economic agendas (Lim & Prakash, 2015).

Donor aid has consistently represented a crucial funding source for government budgets in developing nations and for not-for-profits that face fiscal constraints due to limited tax revenues. This aid is frequently directed towards addressing essential sectoral needs—such as education, agriculture, and various public interventions—alongside humanitarian requirements (Burger et al., 2011). Historically, the trajectory of donor aid financing for developing countries has shown an upward trend, escalating from roughly \$63 billion in 1960 to \$58 billion in 1980, \$72 billion in 2010, \$144 billion in 2017, and reaching \$178.9 billion in 2021 (Organisation for Economic Co-operation and Development Finance Data, 2021).

Recently, there has been a notable shift in the flow of donor aid toward NPOs, driven by growing scepticism regarding the effectiveness of aid disbursed through government channels in achieving desired economic development outcomes (Burnside & Dollar, 2000; Easterly, 2010; Riddell, 2008). Recipient governments often exhibit insufficient capacity to execute precise beneficiary targeting and demonstrate bureaucratic tendencies in the reception and allocation of aid, which can obstruct necessary agility and responsiveness (Gibson et al., 2005). This paradigm has led many scholars to view the increased engagement of donors with NPOs as a strategic manoeuvre, given that NPOs are perceived to offer scalable impacts, efficient resource allocation, effective collaboration with local partners, and the promotion of local democracy and economic development. Furthermore, the transactional costs associated with NPOs are generally lower,

enhancing the coordination, monitoring, and evaluation of donor aid outcomes (Lim & Prakash, 2015; Fafchamps & Owens, 2009; Oloruntoba & Grey, 2006; Gereffi et al., 2005).

Donor Egoistic Interests

The discourse on the motivations behind aid donor actions has come under extensive examination, prompting scholars to highlight the importance of situating aid impacts within the context of donor intent (Kilby & Dreher, 2010; Dreher et al., 2014; Bourguignon & Mark, 2007). It has been argued that the strategies employed by donors in allocating aid often prioritise their geopolitical and economic interests rather than the actual needs of the recipient countries (Keijzer & Lundsgaarde, 2017). The complexity of development assistance further complicates evaluative efforts, as donors frequently mask self-serving objectives with a façade of altruism (Keijzer & Lundsgaarde, 2018; Kharas & Rogerson, 2017).

The literature highlights a critical concern regarding the alignment of development aid with national interests, which often compromises its effectiveness by placing economic and political objectives above genuine recipient needs (Collier, 2016). This challenge is exacerbated by evolving global power dynamics and a redefined understanding of poverty, with projections indicating that the global poverty rate may fall to approximately 5% by 2030. Over the last thirty years, around forty low-income nations have upgraded to middle-income status (Manuel et al., 2018).

Emerging paradigms suggest a need for a nuanced re-evaluation of donor motivations, particularly as expanding markets present lucrative business opportunities and forge strategic geopolitical alliances in a complex global environment. This shift implies that aid allocations are increasingly influenced by public diplomacy rather than directly addressing the needs of recipient countries (Gulrajani et al., 2019). As a result, there is a growing trend among donors to prioritise trade advantages in aid partnerships with transitioning middle-income countries (Dreher & Nunnenkamp, 2015).

Simultaneously, the philanthropic tendencies of developed nations are met with scepticism from new middle-income countries. This scepticism is amplified by the rise of non-traditional aid providers, which empower recipient nations to assess and compare aid offers from conventional Development Assistance Committee (DAC) contributors against emerging non-DAC entities (Benn & Luijkx, 2017). Non-DAC aid is expanding significantly, exceeding \$32 billion, thereby granting previously developing nations the negotiating power to opt for aid that presents better value and competitive terms (Benn & Luijkx, 2017).

The DAC's retreat from altruism is markedly shaped by the competitive dynamics introduced by non-DAC providers, whose motives are anchored mainly in political, governance, economic, and trade agendas associated with the recipient nations (Gulrajani et al., 2019). In this complex landscape, DAC donors face a growing perception of excessive bureaucratic accountability and rigorous reporting requirements—a sentiment not typically attributed to non-

DAC donor methodologies (Bracho, 2015). There is a growing consensus that DAC members are often perceived as advancing covert geopolitical interests that inform their aid strategies and policies (Mawdsley, 2018). As former developing countries transition to middle-income status, the traditional framework of donor self-interest encounters significant challenges, necessitating recipient nations carefully scrutinising and negotiating the conditions tied to donor aid (Asmus et al., 2017; Bracho, 2015; Mawdsley, 2018).

Emerging research on the aid architecture nexus reveals significant dissent regarding the claims made by donors about the transparency and honesty of aid transactions and allocations (Alesina & Dollar, 2000). Reinikka and Svensson (2004) substantiate this critique, highlighting that intended beneficiaries received and acknowledged only 13% of grant funding directed to Uganda's government between 1991 and 1995 for non-wage support of primary schools. This scenario raises pressing questions, particularly regarding the diversion of donor aid to advance trade and other interests within recipient countries, which ultimately undermines core development needs (Berthélemy & Tichit, 2004; Canavire et al., 2006). Such practices include “defensive lending” (Birdsall et al., 2003; Cohen, 2007) and the strategic use of aid to “buy” political support (Kuziemko & Turker, 2006; Dreher & Sturm, 2006).

The existing literature on bilateral donor aid allocation underscores a critical relationship between recipient governments' institutional contexts and donors' interpretative frameworks (Lancaster, 2007; Arellano et al., 2011). Uganda exemplifies this dynamic, notably as

governmental control over donor aid has steadily declined over the past decade. This shift can be attributed to donors adopting more stringent measures designed to curb aid's fungibility, as Habraken et al. (2017) noted. Despite this, Uganda has experienced an increase in donor funding over the last thirty years (Moyo, 2009; Mwenda, 2006), characterised by tighter donor controls that constrain government autonomy. These controls often manifest through sector-wide approaches that tie aid to specific priorities and funnel resources to non-state actors, thus limiting Ugandan government decision-making regarding the allocation of disbursed funds (Kasirye & Lakal, 2019).

Uganda's prevailing adverse political climate has prompted donors to consider implementing stringent measures. This indicates a retention of leverage over donor aid allocation (Fafchamps & Owens, 2009). Notably, several donors, including the US government, have communicated that substantial actions against corruption by the Ugandan government are a prerequisite for lifting the conditionalities that currently govern aid until tangible improvements in underlying factors affecting aid effectiveness are observed (Moyo, 2009).

Strategic motivations within the donor-aid framework have fostered a perception that not-for-profit organisations (NPOs) are preferential channels for aid, owing to their apparent effectiveness relative to government-mediated assistance (Nancy & Yontcheva, 2006). This perception arises from NPOs' ability to operate with a degree of autonomy rooted in their missions and values, effectively distancing themselves from the political and economic biases inherent in

their national governments (Nancy & Yontcheva, 2006). Consequently, directing aid through international NPOs presents a strategic approach to circumvent governmental distortions that could skew aid toward self-serving objectives (Nancy & Yontcheva, 2006).

NPOs' emphasis on addressing the root causes of poverty strengthens their argument for aid allocation, as they circumvent governmental systems to improve targeting and effectiveness (Koch, 2006). Moreover, international donors see opportunities for direct collaboration with NPOs, positioning these entities as advocates capable of pressing for policies that align with the donors' national interests (Kasirye & Lakal, 2019; Fafchamps & Owens, 2009). However, this duality places NPOs in a precarious position regarding whose interests they serve; an overly close alignment with government entities may render them less appealing to potential donors, while neglecting government directives risks sanctions, including reduced operational space and threats of deregistration (Kasirye & Lakal, 2019; Fafchamps & Owens, 2005).

Donor Altruistic Interests

The diminishing distinction between the study and the development challenges confronting both developed and developing nations has necessitated a coordinated response from donor countries to address global issues such as pandemics, financial instability, conflict, and climate change impacts that transcend national boundaries (Gulrajani & Calleja, 2019). The proliferation of conflicts, infectious diseases, and greenhouse gas emissions illustrates how their transnational nature destabilises both tiers of nations (Blodgett, 2018; Kaul, 2017). In light of this, the

Sustainable Development Goals (SDGs) articulated shared priorities that confer reciprocal benefits, further reinforcing that aligning common interests is crucial for securing public backing for international assistance (Keijzer & Lundsgaarde, 2018; Bond, 2016).

In examining altruistic underpinnings of donor motivations, the foreign policy framework established by McKinlay & Little (1977) positions recipient needs as a pivotal driver for aid allocation. This recipient needs paradigm, elaborated by Schraeder et al. (1998), is substantiated through indicators of poverty in developing nations, which encompass suboptimal Gross Domestic Product (GDP) figures alongside non-economic metrics such as life expectancy, mortality rates, and the frequency of detrimental events like droughts, floods, and political crises. A compelling justification for altruistic donor intentions rests on the ethical imperative to direct aid toward supporting vulnerable populations in various countries, which involves a nuanced discussion on donor motivations, particularly those rooted in altruistic principles. Integrating the notion of recipient merit into aid distribution is essential. This concept was notably articulated by Burnside and Dollar (2000), who posited that the efficacy of donor assistance is heavily contingent on both the development and implementation of sound policies, as well as the establishment of stable institutions in recipient nations (Neumayer, 2004). Consequently, many researchers incorporate recipient need as a pivotal variable in examining the motivations behind donor aid allocation, which aligns closely with the foundations of altruism.

The drive of donors to generate tangible impacts and foster the advancement of vulnerable

populations compels the need to address lingering developmental impediments in recipient countries, thereby shaping the strategic orientation of aid towards specific developmental outcomes (Berthélemy, 2006; Neumayer, 2004). In reinforcing recipient merit as a core component of altruistic donor motivations, Fafchamps & Owens (2009) underscore donors' challenges in identifying viable aid channels. Many donors opt against engaging governmental entities due to concerns about corruption, instability, and divergent political ideologies (Fafchamps & Owens, 2009). As a result, alternative conduits such as the private sector, development contractors, or not-for-profit organisations become preferred routes for effective aid delivery (Kasirye & Lakal, 2019; Fafchamps & Oth et al., 2009). Notably, an observable trend of increasing donor preference for local NGOs in Uganda seems to align more closely with donors' altruistic objectives (Fafchamps & Owens et al., 2009).

Moreover, some scholars assert that the predilection for not-for-profit organisations (NPOs) is influenced by their capacity to attract altruistically motivated personnel, as evidenced by the significant role those altruistic motivations and voluntary principles play in employment within NGOs, particularly in developed contexts (Jones, 2015; Leete, 2001). However, this perspective necessitates caution, as empirical scrutiny of this hypothesis in developing countries remains limited. The high unemployment rates and relatively lenient regulations regarding NPO registration in these contexts prompt critical questions about the underlying motivations for establishing NGOs. It has been suggested that financial incentives may often take precedence,

potentially overshadowing altruistic principles crucial for these organisations' long-term viability and sustainability (Burger, Dasgupta, & Owens, 2011).

International Donor Aid-Recipient Effectiveness

In international donor aid discourse, key issues such as donor coordination and effectiveness have become fundamental components of the aid framework (Nunnenkamp et al., 2015). The challenges of donor proliferation and fragmentation are increasingly recognised as significant impediments to aid effectiveness. These issues lead to elevated transactional costs in recipient countries, stemming from redundancies in efforts, conflicting donor policy frameworks, incoherent reporting requirements, and unrealistic performance metrics set by donors (Acharya et al., 2006). The ineffectiveness of aid remains a pressing concern, prompting ongoing discussions among donors regarding strategies to enhance aid effectiveness by tackling barriers such as fragmentation and lack of coordination (Nunnenkamp et al., 2015).

In response to these challenges, donors have made various commitments to address inefficiencies in aid delivery, beginning with the Paris Declaration on Aid Effectiveness in 2005. This declaration catalysed a call for donors to leverage comparative advantages through strategic divisions of labour at both sectoral and country levels (OECD, 2005). Subsequent discussions during the Accra Agenda for Action in 2008 reinforced the need for a collaborative approach, encouraging donors to transcend their differences and maximise the benefits of coordinated aid efforts in developing countries and their regions (OECD, 2008). A pivotal initiative in this context

was establishing the OECD's Working Party on Donor Aid Effectiveness, which articulated how a division of labour among donors could unify efforts, redirect resources to prioritised sectors, and mitigate the duplication of aid (OECD, 2009).

Conversely, some literature posits that aid fragmentation, while contributing to inefficiencies, need not be viewed as wholly detrimental. Scholars like Steinwand (2015) argue that fragmentation can stimulate healthy competition among donors, enabling recipient countries and not-for-profit organisations (NPOs) to negotiate more favourable terms due to the presence of multiple funding sources. This competitive landscape allows aid recipients to navigate better fluctuations in aid availability (Gutting & Steinwand, 2017; Johnston, 2020). However, while donor efforts aimed at achieving greater effectiveness are commendable, recipient countries and NPOs encounter a myriad of challenges stemming from their administrative capacities and technical competencies required to manage the diverse and often contradictory demands of various donors (Gehring et al., 2017). Consequently, recipient governments and organisations must strategically reposition themselves with competent leadership and adaptable structures to meet the evolving requirements of donors. This dynamic can create vulnerabilities for NPOs, leading to a scenario characterised by a 'survival of the fittest' mentality (Gehring et al., 2017; Acharya & Moore, 2006).

A contrasting perspective posits that the ineffectiveness of foreign aid cannot be attributed solely to deficiencies within recipient nations or not-for-profit organisations. It emphasises the

need to scrutinise the role of donor nations' self-serving motives (Natsios, 2005). Existing literature robustly supports the view that donor assistance often aligns more with the geopolitical or economic interests of the donor rather than addressing the actual needs of the recipients (Natsios, 2005). This alignment of interests typically results in a lack of rigorous assessment in the disbursement process (Miller & Dolsak, 2007). Consequently, aid distribution often overlooks critical factors, including the relevance of the aid provided, the genuine needs of the recipients versus their perceived needs, the quality and accountability of aid implementation mechanisms, and the capacity of recipients to utilise the aid effectively (Natsios, 2005; Miller & Dolsak, 2007).

In these regrettable scenarios, donors frequently prioritise initiatives that reflect their economic and political biases, while advancing military and security interests, promoting favourable political ideologies, and perpetuating neocolonial dynamics (Miller & Dolsak, 2007; Keijzer & Lundsgaarde, 2018; Lundsgaarde et al., 2010; Kharas & Rogerson, 2017).

The effectiveness of donor aid in Uganda presents a complex dynamic, impacting the Ugandan government and the existing not-for-profit organisations (Kasirye & Lakal, 2019). The Ugandan government's governance challenges, particularly the persistent corruption and divergent political ideologies, have contributed to donor discontent, prompting the imposition of stringent conditions on aid fungibility (Fafchamps & Owens, 2009). Consequently, donors have adopted mechanisms to exert greater control over aid allocation. This includes utilising aid modalities restricting government oversight, promoting sector-wide approaches aligning with

specific sector priorities and projects, and directing aid through non-governmental entities. As a result, the Ugandan government has encountered significant limitations on its discretion in managing the disbursed aid funds (Kasirye & Lakal, 2019).

The nexus of aid effectiveness has forced donors to make premeditated decisions to bypass the government of Uganda bottlenecks and enlist the private sector as well as development contractors or Not-for-profit, as conduits of aid to achieve the expected impact (Kasirye & Lakal, 2019; Fafchamps & Owens, 2009; Anheier, & Salamon, 2006). No wonder an increased proliferation of NGOs in Uganda is noted, partly occasioned by concerns that aid channelled through governments was not as effective in realising expected economic development parameters (Burnside & Dollar, 2000; Easterly, 2010; Riddell, 2008). While shifts in allocating aid to the government in Uganda is a reality, the literature reveals that this is not unique to Uganda alone, but rather a common occurrence in some developing countries, and reasons advanced in Uganda are equally applicable in the spectrum of development assistance in these countries (Easterly, 2010; Riddell, 2008).

While numerous governments in developing countries contend with institutional deficiencies, this situation should serve as a catalyst rather than a source of comfort for Uganda. It highlights the urgent need to address donor apprehensions regarding the capabilities of governments to manage substantial aid-related tasks effectively. These concerns include comprehensive beneficiary targeting, bureaucratic inertia that undermines donor compliance, and

a lack of agility in demonstrating the impact of aid on the intended beneficiaries (Gibson et al., 2005; Lim & Prakash, 2015). Numerous scholars support this perspective, suggesting it is a significant factor behind donors' increasing preference for not-for-profit organisations as channels for aid funding. NPOs are often regarded as advantageous due to their ability to achieve impact at scale, demonstrated efficiencies, effective partnerships with local stakeholders, acceleration of local democracy and economic development, lower transaction costs, and improved coordination in aid monitoring and evaluation (Fafchamps & Owens, 2009; Oloruntoba & Gray, 2006; Gereffi et al., 2005).

However, a critical inquiry arises regarding whether NPOs in developing countries, specifically Uganda, are experiencing a cyclical boom-and-bust dynamic with donors and whether they operate seamlessly due to the opportunities created by unsuccessful relationships between donors and governments. Existing literature suggests a different reality, revealing significant challenges NPOs face in Uganda (Koch et al., 2009; Easterly, 2010; Front & Santiso, 2011). Notably, donors employing a transaction cost framework have instituted stringent aid conditions, imposing onerous requirements on NPOs—such as reliance on contracting and subcontracting models—which are believed to minimise administrative burdens, enhance direct aid yield, ensure value for money, and foster collaboration among NPOs (Williamson, 2008).

There is an emerging consensus that many NPOs, regardless of size, contend with rigid aid conditions imposed by donors, particularly the mandate for enhanced accountability, skewed

towards donors rather than beneficiaries (Jalali, 2013; Lang, 2013; Mohan, 2002). Donors often express scepticism regarding NPOs' capacity to achieve their objectives, exacerbated by inherent structural weaknesses and a short-term focus on programming. This has resulted in the imposition of stringent aid conditions that threaten NPO sustainability (Jalali, 2013; Lang, 2013; Mohan, 2002).

Despite calls for improved aid effectiveness from donors, recipient countries, and NPOs, significant contention persists regarding a universally accepted definition of aid effectiveness. This ambiguity will continue to hinder progress within the development assistance discourse (Kaijabwango, 2020). In reaction to donors' shifts away from state-centric developmental strategies, some governments have contested that NPOs represent a more effective avenue for realising developmental goals (Lecy et al., 2012; Lewis & Kanji, 2009). Scholars have posited that redirecting aid to NPOs is a response to the perceived failures of state-led initiatives rather than a reflection of substantive evidence highlighting NPOs' effectiveness or beneficial alternatives (Brass et al., 2018; Aldashev & Navarra, 2018; Riddell, 2014). The absence of standardized effectiveness metrics further complicates this situation, as the OECD's global evaluations of parameters such as effectiveness, efficiency, relevance, appropriateness, sustainability, and coherence have been criticized for their linear, narrow focus, primarily emphasizing the NPO project log frame (input-activity-output-outcome-impact) as the sole measure of effectiveness. Consequently, in Uganda, the sustainability of various NPOs is precarious as regulatory

frameworks mandate them to substantiate their impact and effectiveness credibly (Kasirye & Lakal, 2019).

Donor Aid -Recipient Conditionality

Foreign aid has historically been a crucial element in the global policy landscape. It serves as a vital asset for developing countries, which often rely on it for over 10% of their gross domestic product (OECD, 2019). Traditionally, aid from both multilateral and bilateral donors has been primarily channelled through recipient governments; however, not-for-profit organisations play a key role in delivering aid to the ultimate beneficiaries (Burnside & Dollar, 2000; Easterly, 2010; Riddell, 2008). This reliance on NPOs stems from their contextual expertise, established presence, and adeptness in project identification, design, and targeting practices aimed at vulnerable populations (Banks & Hulme, 2012; Van Rooy, 1998; Dietrich, 2013). Over 5% of global donor aid is estimated to pass through NPOs, with the UK and US contributing 19% and 23%, respectively (OECD, 2021). In Africa, donor aid funnelled through NPOs has significantly increased, rising from 1% in 1990 to over 30% in the late 2000s (OECD, 2021; Anheier & Salamon, 2006).

NPOs are primarily recognised as crucial service providers in development assistance, implementing interventions to tackle the underlying causes of poverty among communities and vulnerable individuals (Jennings, 2008). Many NPOs employ multifaceted strategies, encompassing a broad array of programs focused on livelihood and economic empowerment,

humanitarian responses, health and nutrition, education, advocacy, and human rights initiatives (Brass et al., 2018; Aldashev & Navarra, 2018; Banks & Hulme, 2012; Nalere et al., 2015; Riddell, 2014). Despite the positive contributions NPOs make to achieve government objectives and transformative outcomes for vulnerable populations, scholars have identified challenges stemming from the instability of donor funding and shifting priorities (Ebrahim, 2003; Barthelemy, 2006; Briggs, 2018; Nunnenkamp et al., 2017). This fluctuation often forces NPOs to align their objectives with the erratic conditions of donor aid, influencing their sustainability strategies, project selection, geographic coverage, project timelines, funding sources, and implementation mechanisms (Lewis & Kanji, 2004; Riddell, 2014).

One of the most significant challenges NPOs face is the over-reliance on donor aid to meet their objectives and achieve sustainability. This dependence can lead to funding uncertainties and, as a coping mechanism, some NPOs grapple with mission drift, governance compromises, organisational autonomy issues, and complex sustainability challenges driven by stringent accountability requirements imposed by donors (Alnoor, 2003; Lecy et al., 2012). Consequently, the dynamics of aid dependency and associated volatilities position NPOs precariously, often compelling them to prioritise donor relations over the needs of their target beneficiaries. This situation can lead to a focus on upward accountability to donors, thereby neglecting the humanitarian imperatives they are fundamentally meant to address (Nunnenkamp & Sosa, 2017).

NPOs Aid Accountability and Value for Money

The concept of accountability within the Not-for-profit organisation sector is multifaceted and often debated. Various theoretical frameworks underscore the necessity for NPOs to maintain transparency with stakeholders by providing comprehensive information and justification regarding their operational decisions, including measures taken to mitigate any adverse actions (Cronin & O'Regan, 2002). The imperative for NPO accountability is particularly pertinent due to their public nature, which necessitates regulatory compliance; thus, NPOs ought to study it and report it to their stakeholders, especially those that furnish financial resources, to uphold accountability as a prerequisite for continued support and funding (Ebrahim, 2003).

Navigating the accountability landscape presents distinct challenges for NPOs, driven by factors such as stakeholder power dynamics, divergent needs and priorities, and competing interests among constituents, creating a fluid operational environment (Slim, 2002; Ebrahim, 2006; Burger & Owens, 2010). Accountability manifests in various forms within NPOs, primarily categorised into upward, inward, and downward accountability. Given the focus of this study on donor aid, the emphasis will be placed on upward accountability (Benjamin, 2012).

Essentially, the accountability frameworks that NPOs adhere to are significantly influenced by their funders, the regulatory frameworks within which they operate, and the directives of governmental agencies (Guo, 2007). The demands stemming from donor accountability can be excessively burdensome, often dictating the survival of NPOs based on their alignment with donor-

imposed accountability criteria (Benjamin, 2012). This reality constrains NPOs from complying with stakeholder demands at the expense of their core identity and the needs of their beneficiaries (Benjamin, 2012). Consequently, rather than fulfilling their primary mission of serving people and addressing genuine community needs, NPOs frequently find themselves preoccupied with aligning their initiatives to satisfy donor requirements (Guo, 2007; Slim, 2002).

Despite the complexities surrounding accountability, there is an increasing recognition within NPO governance that engaging beneficiaries for input on developmental criteria and success metrics is integral to aligning with the organisation's values and the expectations of their donors (Morrison & Salipante, 2007). NPOs operating in Uganda, akin to their counterparts in other developing nations, must grapple with stringent donor accountability measures, which are often driven by perceptions of "NPO opportunism" (Burger & Owens, 2010). Media narratives in developing countries frequently highlight alleged opportunistic behaviour within NPOs, including corruption and inefficiency (Prakash & Gugerty, 2010).

A prevalent term that encapsulates this phenomenon is "briefcase NPOs," which refers to organisations that lack a tangible community presence, formal structures, or operational systems, and are perceived as being primarily established to solicit donor funding (Barr et al., 2005; Fafchamps & Owens et al., 2009). Ironically, even when such entities are officially registered, their elusive nature complicates tracking efforts, further perpetuating inefficiencies that have led donors to question the viability of NPOs as conduits for aid distribution (Prakash & Gugerty,

2010). Barr et al. (2005) noted that understanding these entities' prevalence and operational clandestineness, particularly in Kampala, poses significant challenges for effective oversight.

To address opportunism and shoddy work issues in NPOs, donors have adopted Williams's (2008) theory of contracting, which, in addition to cracking down on briefcase NPOs, is expected to lower transaction costs and leverage the benefits of indigenous knowledge, expertise, and contextual understanding. In this arrangement, international NPOs enter into a contract or form a consortium with other NPOs, with the international NPOs serving as the lead and/or prime. In contrast, the remaining NPOs in this arrangement are referred to as subgrants (Burger & Owens, 2013). The consortium leads typically international and/or national NPOs who are most of the time urban-based, lack local presence in the community, and rely on community-subcontracted NPOs to deliver actual implementation and act as intermediaries between aid recipients and the global aid chain (Barr & Fafchamps, 2006; Fafchamps & Owens, 2009).

To facilitate effective accountability while ensuring agility and responsiveness, donors impose strict grant agreements and contractual clauses on not-for-profit organisation consortia, resulting in a considerable reporting burden typically described as “accountability myopia” (Ephraim, 2005). Although these measures aim to counteract the tendencies of poor accountability within NPOs, they often manifest as bureaucratic hurdles. Consequently, organisations may prioritise compliance with reporting timelines over their core missions and objectives, with staff diverting from community engagement activities (Burger, 2015).

In this contracting framework, downstream partners and contractors bear the most significant burden of accountability, particularly since the evidentiary demands often intensify at the level of direct beneficiary interaction (Ebrahim, 2005). A study by Cohn et al. (2011), which involved interviews with health-focused NPOs in Kenya, Uganda, Malawi, and Zambia, revealed that the contracting arena is particularly susceptible to the emergence of substandard entities, referred to as briefcase NPOs. These organisations project a façade of possessing advanced financial systems, reporting structures, and monitoring frameworks, despite lacking an established track record of success. In such scenarios, the well-established NPOs with demonstrable expertise and commitment may be overlooked by donors in favour of those with superior self-presentation skills, who may inflate a limited number of accomplishments or exhibit proficiency in grant proposal writing without sufficient ground evidence (Cohn et al., 2011).

The evolving landscape of donor accountability grounded in aid contracting further constrains NPOs' ability to adapt and respond to the contextual realities of their communities, as they become preoccupied with adhering to the stringent conditions set forth by donors (Burger & Owens, 2013). NPOs often find themselves passive in this high-pressure environment, jeopardising their sustainability. This raises significant questions about whose interests NPOs prioritise, reflecting the adage, “whoever has a purse has authority.” Such a dynamic fundamentally contravenes the ethical principles of development work, which mandate that NPOs remain responsive and adaptive to the needs of the beneficiary communities (Aldashev & Navarra,

2018; Burger & Owens, 2013).

Critically, it can be argued that the development aid accountability framework operating within the NPO ecosystem through contracting predominantly serves donor objectives, exerting substantial power and control in an environment already characterised by information asymmetries (Tacon et al., 2017; Burger et al., 2015). The rigid accountability mechanisms tied to strict reporting requirements, such as fixed-term awards and performance-based funding, undermine the autonomy and sustainability of NPOs, which often rely on donor financing to achieve their strategic goals (Burger & Owens, 2013). This transactional approach to donor aid under such contracting parameters ultimately undermines the primary objectives of donors, particularly their capacity to respond effectively to the needs of beneficiaries (Burger & Owens, 2013).

Not-for-profit Organisations' Sustainability

Not-for-profit Organisations Description

The not-for-profit organisation sector is characterised by significant diversity and heterogeneity in its modus operandi, focal areas, governance structures, operational frameworks, funding levels, and organisational architecture (Valentinov, 2006). Valentinov (2006) posits that a universal definition of NPOs is elusive, primarily due to the sector's lack of coherence and standardisation. The interpretation of 'not-for-profits' is context-dependent, shaped by cultural nuances, national legal frameworks, and fiscal environments.

Stakeholders within the not-for-profit domain assign varying definitions to NPOs. For

instance, the United Nations defines NPOs as “any not-for-profit, voluntary citizens’ group formally structured at local, national, or international levels, organised according to their specific tasks and focus while providing voluntary services to targeted beneficiaries” (UN, 2000). This conceptualisation underscores the critical function NPOs serve in amplifying citizen voices to governments, monitoring policy implementation, and fostering grassroots participation (UN, 2000).

Similarly, the World Bank conceptualises NPOs as non-state actors engaged in initiatives prioritising poverty alleviation and addressing underlying poverty determinants. They aim to elevate the interests of marginalised populations by delivering services that ensure environmental sustainability and community empowerment (Operations Evaluation Department [OED], 2002). Generally, NPOs are typified as entities operating independently from government influence, largely reliant on charitable contributions and voluntary services driven by the altruistic motivations of donors and volunteers (OED, 2002).

Despite the variability in scholarly definitions of NPOs, specific terms and characteristics consistently emerge across the literature. These include these organisations' not-for-profit nature, volunteer services at no cost, and a shared commitment to alleviating the vulnerabilities of specific beneficiaries and communities (Anheier, 2003). It is also worth noting that terminology such as NPOs and NGOs is often used interchangeably, highlighting the significant similarities across these designations (Anheier, 2003).

The classification of Not-for-profit Organisations remains a complex and contested area of discourse, with no universally accepted framework for categorisation. Scholars have highlighted the subjective nature of NPO definitions, often tailoring interpretations to fit specific research paradigms and contexts (Lewis, 2003). This lack of consensus complicates the NPO sector's theoretical and empirical understanding, leading to ongoing debates and misunderstandings (Grigoras, 2017). Nonetheless, various scholarly descriptions can identify certain consistent features and characteristics. The predominant classifications of NPOs can be categorised into three domains: (1) the purpose of the organisation—whether self-benefiting or altruistically oriented; (2) the nature of their activities—advocacy versus service delivery; and (3) the operational level—community, national, or international (Dreu et al., 2016; Lu, 2003; Lewis & Kanji, 2009; Gooding, 2017; Yaziji & Doh, 2009; Mmanda, 2012; Paco et al., 2014).

Diving deeper into these domains reveals that self-benefiting NPOs typically feature a closed membership, drawing support solely from member contributions. In contrast, altruistic NPOs maintain an open membership policy, providing services to all eligible beneficiaries while sourcing funding from external entities such as individuals, government bodies, multilateral organisations, and private foundations (Paco et al., 2014). The second domain addresses the organisation's focus and activities. Here, a critical distinction exists between advocacy-oriented NPOs, which aim to shape public policies and promote accountability, and those that emphasise service delivery, focusing primarily on providing essential services to underserved populations

(Bojarski & Tylec, 2016; Solidar, 2006; Nelson, 2007; UNESCO, 2008).

The third domain concerns the level of operation. Community-based organisations (CBOs) operate at the grassroots level, while national NPOs function within the framework of developing countries. International NPOs, often headquartered in developed nations, typically engage across multiple developing countries (Karkee & Comfort, 2016; Global Policy Forum, 2017; Grigoras, 2017). Overall, the categorisation of NPOs remains multifaceted, reflecting the diverse purposes, operational contexts, and structural characteristics that define this sector.

The existing literature reveals that not-for-profit organisations are defined in various ways, necessitating careful attention to the specific definitions employed for a nuanced and equitable analysis of the research questions. This study adopts the NPO characteristics delineated by Anheier (2003), which include: formal recognition with established institutional governance structures, a clear delineation from government entities, a not-for-profit status devoid of profit distribution to owners and directors, operational autonomy, and elements of volunteerism and stakeholder participation.

The focus on NPOs exhibiting formal and professional structures is pertinent given the research's aim to explore the impacts of shifts in donor funding on NPO sustainability strategies. Hence, the context of this study necessitates examining NPOs primarily funded through foreign aid, which possess international affiliations and are subject to reporting requirements dictated by external donor funding (Pfeiffer, 2004; Kamstra & Schulpen, 2015).

Not-for-Profit Organisations' Sustainability Description

The discourse surrounding sustainability, akin to the definition of not-for-profit organisations (NPOs), remains mired in historical debates that have yet to reach a consensus on its practical implications (Arhin et al., 2015). Despite this, scholars have notable areas of convergence regarding the dimensions, forms, and scope of NPO sustainability (Arhin et al., 2015; WACSI, 2015; Hailey & Salway, 2016; Hayman, 2016). This study adopts a working definition of NPO sustainability as articulated by Hailey and Salway (2016), which emphasises the capability of an organisation to endure over time while effectively fulfilling its mission and addressing the needs of its stakeholders, beneficiaries, and supporters. This perspective implies that NPO sustainability embodies continuity, evidenced through resilience across its multidimensional constructs, which include financial, social, operational, and identity aspects (Arhin, 2016).

The evolving landscape of donor aid has emerged as a critical factor influencing NPO sustainability, garnering significant attention in the arena of development assistance (Hailey & Salway, 2016). The prevalent dependency of NPOs on foreign aid is widely recognised, with extensive literature documenting the associated risks of such reliance for both recipient governments and NPOs (Mitchell, 2014; Kumi, 2017b). Previous studies have underscored the considerable dangers tied to excessive reliance on foreign donor aid, illuminating the volatility of funding streams and their profound impacts on organizational sustainability, particularly concerning operational efficacy while pursuing their missions (AbouAssi, 2013; Banks et al., 2015; Mawdsley, 2012; Hayman, 2016; Arhin, 2016).

Furthermore, it is essential to acknowledge the concerted efforts that have been made within the NPO sustainability discourse, as evidenced by numerous forums, international conferences, and academic journals that delve into sustainability-related themes in the sector (Pratt, 2016; Tandon & David Brown, 2013; World et al., 2013; Lewis et al., 2015; Arhin et al., 2015). These initiatives play a vital role in elucidating the complexities surrounding the risks, challenges, and opportunities in the donor aid architecture and their ramifications for NPO sustainability (Hayman, 2016; Kumi, 2017a). Nevertheless, there exists a lack of concrete evidence regarding how NPOs have adapted and responded to the dynamic environment, including the sustainability strategies being implemented to navigate this volatile landscape (Tandon & David Brown, 2013; Rajarajeswari, 2013; Arhin et al., 2015; Kumi, 2017b).

It is crucial to recognise that the transformations within this operational landscape manifest in various forms. These include a gradual scaling back of support from traditional donors, a decline in the volume, patterns, and scope of aid, and the emergence of alternative funding mechanisms with new conditionalities aimed at enhancing accountability and ensuring value for money (Marinkovic, 2014; WACSI, 2014; Kumi, 2017a). When examining the concept of sustainability, it is important to acknowledge that an organization's sustainability status is not a fixed state; it can fluctuate significantly, suggesting that sustainability should be viewed as an ongoing journey rather than a final goal (WACSI, 2015; Arhin et al., 2015; Kumi, 2017c). Sustainability is best understood as positioned along a continuum, serving as a means to an end rather than a definitive

endpoint (WACSI, 2014).

Moreover, the discourse surrounding sustainability distinguishes it from mere survivability. While the latter pertains predominantly to short-term resilience, sustainability encapsulates a broader focus on long-term viability, enabling organisations to fulfil their missions and assess their impact while navigating threats and volatility (Arhin et al., 2015). In the context of not-for-profit organisations, especially within developing nations, the sustainability challenges can be categorised based on frameworks presented by the East Africa Civil Society Institute (Arhin, 2016; Kumi, 2017c). Key areas of focus include financial sustainability, operational sustainability, identity sustainability, and intervention sustainability (Arhin et al., 2015). The following section will provide an in-depth analysis of these sustainability components.

Financial Sustainability

The complexities of financial sustainability pose significant challenges for not-for-profit organisations (NPOs), where funding volatility is a central concern impacting their viability and operational continuity. As articulated by Marinkovic (2014), Arhin et al. (2015), Kumi (2017a), and USAID (2018), financial sustainability is foundational to all dimensions of sustainability—identity, operational capacities, and intervention strategies—making it a focal point for NPOs. The financial stability of these organisations is often jeopardised by unpredictable fluctuations in funding and revenue, leading to unstable cash flow scenarios (Keating et al., 2005).

A critical issue for NPOs revolves around their dependence on external sources for

financing administrative operations and project implementations. Uncertainties are outside their control, as funding decisions rest with donors (Nunnenkamp et al., 2013). NPO funding typically encompasses a diverse portfolio, including grants, contracts, individual and corporate donations. Notably, these funding streams are inherently discretionary and subject to unpredictability (Nunnenkamp et al., 2013). For many NPOs, navigating the path to financial viability is compounded by their not-for-profit orientation; they lack access to equity capital, maintain limited or no asset bases, and operate solely on voluntary contributions, all vulnerable to fluctuations (Keating et al., 2005).

The financial structure of NPOs is often calibrated to meet funding requirements, which can compromise their capability to manage programs and implement projects effectively (Yan et al., 2009). Research indicates a positive correlation between robust financial structures and the sustainability, development, and mitigation of financial risks in NPOs (Anheier, 2003). Consequently, literature emphasises the necessity of a balanced financial portfolio to distribute financial risk and promote sustainable revenue diversification, all anchored in an appropriately designed financial framework supported by requisite expertise (Carroll & Stater, 2009; Anheier, 2003).

However, it is imperative to recognise that funding sources available to NPOs come with diverse predetermined terms and conditions, significantly impacting their operational flexibility. The differing donor requirements can often complicate compliance (Barr & Fafchamps, 2006).

Beyond funding scarcity, NPOs are also confronted with financing fungibility issues, which can necessitate reallocating funds across projects (Barr et al., 2004). To mitigate the challenges posed by asymmetric information in evaluating performance program effectiveness, donors often impose stringent accounting and reporting requirements, including efficiency ratios (Chikoto & Neely, 2013; Fafchamps & Owens, 2009). Donor conditions frequently label funding as restricted, imposing rigorous constraints on modifications and reallocations. This dynamic can hinder organisational management's ability to adjust budgets to meet urgent operational needs (Chikoto & Neely, 2013).

The conditionalities linked to donor aid can create administrative burdens, compelling NPOs to recruit skilled personnel to navigate convoluted funding landscapes, thereby increasing bureaucratic overhead (Bulír & Hamann, 2003; Burger & Owens, 2013). While these conditions might be well-intentioned, they risk undermining the original objectives of aid and placing organisations in precarious situations, particularly when balancing service quality against compliance with donor standards (Stiglitz, 2002). The inflexibility associated with donor aid conditionality for not-for-profit organisations is extensive and often non-negotiable. Discrepancies between the study budget and activity plans can lead to significant conflicts, resulting in disallowable costs and potential sanctions, including funding termination for non-compliant NPOs (Ashley & Faulk, 2010; Nunnenkamp & Öhler, 2012; Barr et al., 2004). Consequently, NPOs must critically assess funding agreements, as reliance on a limited donor base

may present advantages over organisations with diversified funding streams that still face rigid donor requirements (Ashley & Faulk, 2010; Nunnenkamp et al., 2013; Tinkelman & Mankaney, 2007).

The literature emphasises the need for NPOs to evaluate their trade-offs thoroughly and to engage in a rigorous "go" or "no go" decision-making process for each funding proposal. This should be accompanied by establishing robust accounting systems that ensure transparency and compliance while fostering strategic planning (Barr et al., 2004; Fafchamps & Owens, 2009).

To assess the financial soundness of an NPO, the proportion of funding expenditures allocated to administrative and overhead costs must adhere to the donor-imposed efficiency ratios (Nunnenkamp et al., 2013). Elevated administrative costs reduce an NPO's attractiveness to donors, as effectiveness is measured by the percentage of funding reaching end beneficiaries, often referred to as 'yield to beneficiary' or 'cost per beneficiary' (Ashley & Faulk, 2010). Donors tend to interpret high overhead costs as indicators of organisational inefficiency, preferring that the most significant possible proportion of aid be directed towards programmatic activities. Consequently, NPOs unable to meet these efficiency metrics risk exclusion from funding opportunities, thereby jeopardising their sustainability (Trussel & Parsons, 2007; Tinkelman & Mankaney, 2007; Ashley & Faulk, 2010; Nunnenkamp et al., 2013).

In donor aid, allocating resources towards administrative and overhead costs is critical in influencing the cost per beneficiary and the overall operational expenses of not-for-profit

organisations (NPOs). Tinkelman and Mankaney (2007) provide a detailed analysis of these costs, particularly examining expenditures linked to program outputs. Meanwhile, Nunnenkamp and Öhler (2012) introduce the 'efficiency price' concept associated with overhead costs, indicating that donors often view such expenditures unfavourably. Further research by Nunnenkamp et al. (2013) highlights the detrimental effects of elevated overhead costs on an NPO's financial sustainability, categorising them as a significant risk factor for organisations whose cost per beneficiary diverges from established industry benchmarks and donor-driven efficiency criteria.

Conversely, a scholarly consensus indicates that well-managed overhead costs can enhance an NPO's financial flexibility, promoting financial sustainability. This balance facilitates a prioritisation of program activity expenditures while simultaneously minimising administrative costs (Greenlee & Trussel, 2000; Trussel & Parsons, 2007). The study by Chikoto and Neely (2013) argues that poorly managed or inaccurately projected administrative costs can hinder NPOs in attracting the necessary skill sets for compliance with donor conditions. This misalignment jeopardises funding continuity, leading to sustainability challenges. Excessive overhead reduction can result in operational inefficiencies, specifically in project implementation integrity, due to the absence of qualified personnel capable of providing adequate oversight. Hence, excessive pressure to slash overhead costs beyond a threshold risk counterproductivity regarding NPO sustainability (Szper & Prakash, 2011). Organisations are therefore compelled to establish ceilings to appropriately balance the risks associated with high overhead costs and unreasonably low

administrative spending, ensuring that program quality is not compromised (Nunnenkamp & Öhler, 2012).

Additionally, fundraising expenditures—including networking and preparatory activities—pose a significant pitfall for NPO financial sustainability (Trussel & Parsons, 2007). While fundraising costs are integral to raising visibility and enhancing organisational positioning for resource acquisition, careful consideration is crucial to prevent these expenses from adversely affecting financial metrics, particularly when such efforts have not resulted in augmented funding (Tinkelman & Mankaney, 2007). Nevertheless, empirical evidence supports a positive correlation between fundraising expenditures and NPO growth, as evidenced by revenue increases stemming from these initiatives, thus validating the investment in such activities (Chikoto & Neely, 2013).

The financial sustainability of NPOs can further be analysed through accounting ratios, which serve as reliable indicators of organisational viability (Trussel & Parsons, 2007; Barr et al., 2004). Key financial metrics include the equity balance, assessing net assets relative to revenue, and the ratio of total liabilities to net assets (Greenlee & Trussel, 2000; Trussel & Parsons, 2007). Such accounting measures can reveal potential liquidity issues since some capital assets are not readily convertible into cash (Greenlee & Trussel, 2000; Trussel & Parsons, 2007). Donor funds allocated for capital asset procurement come with stipulations, indicating that despite their reflection on the organisation's balance sheet and annual depreciation, these assets are technically owned by the donor. The disposal of such assets post-project is governed by stringent donor

policies and approval processes (Greenlee & Trussel, 2000; Trussel & Greenlee, 2001). It is important to note that these capital items fall into the restricted category; thus, in times of acute funding need, they remain unreliable as a source for quick re-capitalisation of the organisation (Nunnenkamp et al., 2013).

Surplus margin is a critical financial metric for donors, not-for-profit organisations, and other stakeholders seeking to evaluate an organisation's financial viability and sustainability (Greenlee & Trussel, 2000; Trussel & Parsons, 2007). This ratio is calculated by taking the net income—derived from total revenue minus expenditures—and dividing it by total revenue, thereby providing insight into the cash flow status of an NPO (Greenlee & Trussel, 2000; Trussel, 2002). Ideally, a financially robust NPO should exhibit surplus operational margins that can be redirected as reserve revenue, offering a buffer against revenue fluctuations and fostering revenue growth opportunities (Szper & Prakash, 2011; Barr et al., 2004).

However, it is essential to recognise that NPOs fundamentally exist to address the needs of their beneficiaries. Therefore, it is generally not anticipated that these organisations pursue profit-oriented surplus margins, as such a focus could detract from their mission to serve deserving populations (Greenlee & Trussel, 2000; Barr et al., 2004). Another critical consideration for NPOs is the contextual landscape of their operational environment. Different stakeholders interpret efficiency ratios variably, necessitating NPOs to advocate for favourable metrics to mitigate financial pressures (Verbruggen & Christiaens, 2012). Engaging meaningfully with donors—a

task that may involve significant investment in time and resources—is crucial, given that donors often have diverse, and sometimes conflicting, requirements. This reality underscores the importance of strategic engagement and cultivating productive collaborative relationships with donors to foster confidence, build trust, and assure donors of the organisation’s financial integrity (Balser & McClusky, 2005; Nunnenkamp et al., 2013).

Operational Sustainability

Not-for-profit organisations are fundamentally positioned to tackle the root causes of vulnerabilities affecting their target beneficiaries. Thus, their sustainability is inherently tied to the effectiveness and strength of their operational frameworks (WACSI, 2015; Arhin et al., 2015; Kumi, 2017c). An NPO that is operationally sustainable is characterized by its ability to develop robust institutional infrastructures, maintain a comprehensive resource portfolio, establish a recognizable physical presence, and operate through functional offices that enhance its visibility and influence as a significant entity (WACSI, 2015; Arhin et al., 2015; Hailey & Salway, 2016; Kumi, 2017c). To achieve this designation, an NPO must have a programmatic strategy linked to the needs of its constituents, alongside an impact framework that illustrates these connections (WACSI, 2015; Arhin et al., 2015).

Operational sustainability is closely aligned with an effective strategic management structure, positing that the sustainability challenges organisations face can be proactively addressed through informed strategic decisions by leadership (Varbanova, 2013; Werawardena et

al., 2010). This approach equips organisations to navigate environmental volatility while capitalising on available opportunities, demonstrating resilience and competitive advantage (Smith, 2012). Additionally, stakeholder management is recognised as a pivotal component for organisational sustainability, with effective leadership integrating stakeholder engagement into both operational objectives and strategic vision (Alexander, 2000; Bryson, 2004b; Hsieh, 2010; LeRoux, 2009; Miragaia et al., 2016).

Literature suggests that identifying stakeholder needs is a transformative strategy that significantly enhances social value and aligns with organisational mandates (Bryson, 2004; Moore, 2000; Varbanova, 2013). Consequently, NPOs aiming for operational sustainability must direct their efforts towards enterprise initiatives that align with stakeholder interests (Bryson et al., 2001). As NPOs engage in identifying, scoping, and mapping their key stakeholders, it is crucial to prioritise stakeholder analysis and engagement as integral aspects of stakeholder relationship management. This focus is critical for improving financial performance, particularly for organisations reliant on diverse funding sources (Hsieh, 2010).

Operational sustainability is closely tied to organisational visibility and stability, which includes the retention of skilled human resources capable of executing program mandates with technical proficiency (WACSI, 2015; Teamey, 2010). In assessing the operational sustainability of a not-for-profit organisation, it is crucial to evaluate indicators such as recognition and visibility, operating space, institutional capacity and infrastructure, influential power, and the quality and

continuity of programs. These indicators should be included in measurement frameworks and must show a positive trajectory (WACSI, 2015; Arhin et al., 2015).

Literature highlights critical gaps related to a short-term focus, a transactional mindset, and an emphasis on efficiency and product orientation that many NPOs adopt in their operational sustainability planning. Such an approach can undermine financial viability and limit access to the benefits associated with long-term and intergenerational strategies (Osborne et al., 2014; Bansal & DesJardine, 2014; Moldavanova et al., 2014). Scholarly research has indicated that neglecting the temporal dimension in operations and strategic management fosters a "short-termism" mentality, which has been identified as a precursor to systemic failure, ultimately hindering progress towards organisational sustainability (Bansal & DesJardine, 2014; Osborne et al., 2014).

Identity Sustainability

The sustainability of Not-for-profit organisations can be evaluated through brand resilience, which assesses the organisation's ability to maintain a robust identity capable of withstanding external shocks and facilitating recovery. Additionally, NPOs must demonstrate adaptability and responsiveness to an ever-evolving environment while remaining steadfast in their vision and mission (WACSI, 2015; Carroll & Stater, 2009; Anheier, 2003). A critical component of the identity sustainability framework is the capacity of NPOs to preserve their mission and objectives with minimal disruption, ensuring long-term viability and continuity within their specific focus areas (WACSI, 2015). Fundamental inquiries and indicators to assess this include

an examination of the regulatory landscape in which not-for-profit organisations operate, revealing a complex interplay that supports their sustainability. NPOs can effectively create impact within this framework, contingent upon the relevance of their missions and values in addressing emerging environmental challenges. Furthermore, their capacity to uphold accountability, maintain autonomy, and preserve legitimacy is critical for navigating and thriving amid volatility (Brown & Jagadananda, 2007).

The criteria and indicators for establishing identity sustainability include the pertinence of the organisation's mission, leadership dynamics, governance structures, legitimacy, and accountability systems, all set against the backdrop of policy and regulatory environments (WACSI, 2015; Barr et al., 2005). In evaluating these indicators, NPOs must ensure clarity in their mission and strategic direction while demonstrating agility and responsiveness to align with shifting contexts. This requires sound accountability systems, current strategic plans backed by robust business continuity scenarios, and adaptable structures that comply with regulatory obligations encompassing registration, taxation, procurement requirements, and reporting standards. Failure to meet these regulatory standards can jeopardise their operational viability (WACSI, 2015; Balser & McClusky, 2005; VanPuyvelde et al., 2012; Nunnenkamp et al., 2013).

Given their reliance on donor funding, NPOs often face tensions between the imperative for revenue growth and alignment with their core mission and vision (Barr et al., 2005). The temptation to compromise organisational identity in favour of donor expectations can lead to

misalignment between funding pursuits and the NPOs' foundational objectives. This compromise is particularly evident when organisations accept funding fundamentally inconsistent with their mission, purpose, and identity (Barr et al., 2005). Research by Fafchamps and Owens (2009) highlights that NPOs dependent on grant funding risk identity distortion, often succumbing to the identities shaped by their donors. Consequently, when external funding sources dictate priorities, NPOs may prioritise donor stipulations over their beneficiaries' actual needs, aligning more closely with donor interests than the communities they serve (Wallace, 2006). This dynamic further reinforces the bureaucratisation of development, exacerbating North-South power asymmetries and reducing NPOs to passive participants, as critical decisions regarding project types, focal areas, and implementation modalities are predominantly dictated by donors (Fafchamps & Owens, 2009).

Intervention Sustainability

The resilience and sustainability of not-for-profit organisations are fundamentally linked to their programmatic interventions, particularly regarding their longevity beyond the initial programming phase. Evaluative post-implementation exercises are crucial to assess whether these interventions can exhibit activity continuity, foster beneficiary and stakeholder ownership, and maintain effective operational structures (WACSI, 2015). The sustainability of these programs is vital for the organisations themselves and mitigating the vulnerabilities their target populations face (Gruen et al., 2008).

Effective project transition management is essential, as the abrupt cessation of project activities can result in significant adverse effects, such as eroding community trust in NPOs and impeding their future programming initiatives and overall sustainability (Sridharan et al., 2007). While it is acknowledged that many organisations often prioritise short-term outcomes over sustainable intervention strategies, a growing body of collaborative literature suggests that this short-sighted focus ultimately undermines NPO sustainability and fails to deliver the intended social value to their constituents (Sridharan et al., 2007).

The fundamental aspect of not-for-profit organisation sustainability lies in formulating interventions owned and driven by beneficiaries. This entails a co-creative approach to program design that actively incorporates beneficiary participation, alongside fostering partnerships and frameworks that bolster long-term sustainability (Ceptureanu et al., 2018). Consequently, NPO sustainability transcends mere financial stability necessary for program execution; it also incorporates the perspectives and needs of the stakeholders these initiatives aim to benefit (Janus et al., 2015).

Furthermore, beneficiary acceptance and active involvement significantly reinforce NPO sustainability. This includes providing opportunities for beneficiaries to engage with an accountability framework through effectively designed feedback mechanisms (Mulwa, 2010; Cornwall, 2000). The concept of intervention sustainability is paramount for NPOs; the legitimacy of a sustainable NPO is heavily influenced by how comprehensively it addresses and integrates

the complexities of community dynamics, including socio-cultural factors (Mancini & Marek, 2004; Oino, 2015).

Critical elements of intervention sustainability hinge on the willingness of beneficiaries, existing government institutions, partners, and other vital stakeholders to continue engaging with the NPO's programs post-intervention (WACSI, 2015). Thus, NPOs can be regarded as sustainable when their programming reflects the drivers of intervention sustainability—these include the establishment of transition plans, continuity communication strategies, and the depth of beneficiary engagement and participation. Effective co-creation plans for stakeholder consultation during the design and implementation phases are also crucial (WACSI, 2015; Nu'Man, 2007).

Empirical Review and Literature Review Transition

The literature review section incorporated a comprehensive analysis of international donor aid dynamics and not-for-profit organisations' sustainability. It specifically examined critical themes such as donor aid modalities, determinants influencing aid allocation, effectiveness of donor-recipient relationships, and strategic sustainability measures undertaken by NPOs at global, African, and Ugandan contexts.

The extensive literature analysis revealed several pertinent studies on donor aid financing and NPO sustainability, highlighting significant gaps that warrant further exploration. A notable study by Barr et al. (2005) critically assessed the state of donor aid funding within the Ugandan NPO sector. The authors conducted a proportionate survey involving 199 international and large

not-for-profit organisations, representing a broader population of 3,159 registered NPOs. Utilising both quantitative and qualitative methodologies, the study provided valuable insights into the funding landscape faced by these organisations.

The findings underscored that the funding environment for NPOs is marked by inconsistent and disproportionate financial support, leading to considerable budgetary constraints. This pervasive issue has profound implications for NPO sustainability, influencing operational scope and programmatic focus. The research indicated that most available funding is predominantly funnelled to a few large international NPOs. At the same time, smaller organisations struggle with limited resources derived from membership dues, local fundraising efforts, and income-generating initiatives. Given the extensive resource requirements for effective poverty alleviation—resources that small NPOs typically lack—these organisations often gravitate towards low-cost advocacy and awareness-raising efforts. While requiring minimal funding, such activities are recognised as high-value strategies essential for fostering behavioural change and developing coalitions focused on policy advocacy and human rights-based programming. This approach is critical for holding governmental entities accountable (Barr et al., 2009; Keck et al., 2014).

A study conducted by Francis and Sammy (2018) investigated the factors influencing the financial sustainability of intergovernmental organisations (IGOs) in Africa, specifically through a case study focused on the Regional Centre for Small Arms (RECSA). Employing a descriptive survey design, the researchers collected data regarding funding sustainability targeted at

employees critical to the organisation's financial health. Utilising purposive sampling, respondents were selected from the RECSA secretariat and country representatives, concentrating on individuals in pivotal roles such as the Head of Research, Finance Specialists, and Fundraisers. Analysis of the data obtained from questionnaires and secondary sources indicated that not-for-profit organisations (NPOs) reliant on external donor funding are particularly vulnerable to financial sustainability challenges, jeopardising their long-term strategic objectives.

Arhin's (2016) study added to this discourse by examining the responses of non-governmental organisations (NGOs) in Ghana to the evolving aid landscape. This research demonstrated a positive correlation between dependence on external funding and the long-term sustainability of NPOs. Through 65 qualitative, semi-structured interviews, the study applied content and thematic analysis methods to unveil how Ghanaian NGOs sustain their viability amidst changing donor dynamics. Arhin identified multiple adaptation strategies, classifying them into six core categories: 'eggs-in-multiple-baskets,' 'cost-cutting,' 'strength-in-numbers,' 'security-under-partnership,' 'credibility-building,' and 'visibility-enhancing strategies.' The findings highlighted that donor agendas increasingly dictate terms related to organisational structure, management practices, programmatic goals, and focus areas, necessitating NPOs to realign their operations to meet donor expectations. Organisations sourcing over 30% of their funding from international donors faced significant constraints, often aligning their infrastructure with donor-imposed conditions, thereby subjecting themselves to stringent audits and assessments.

The research conducted by Arhin (2016), Francis and Sammy (2018), and Barr et al. (2005) each provides valuable insights into the ongoing discussion about the sustainability of development-oriented organisations operating in Sub-Saharan Africa, especially amidst a rapidly changing landscape of aid and donor funding. Although they share a common thematic concern regarding organisational survival and financial viability, they exhibit significant differences in their focus on institutions, geographical areas, methodological strategies, and the nature of their results.

Arhin's (2016) research is centred on NGOs in Ghana and investigates how these entities react to changes in the donor environment. His study examines explicitly NGOs' adaptive strategies to maintain sustainability in the context of shrinking external funding. Using a qualitative case study method, Arhin identifies practices such as income diversification, establishing social enterprises, internal restructuring, and collaborations with private sector entities. His analysis emphasises agency—how NGOs proactively navigate structural constraints through innovation and strategic realignment.

In contrast, Francis and Sammy (2018) assess the financial sustainability of intergovernmental organisations (IGOs) by focusing on a case study of the Regional Centre for Small Arms (RECSA), which operates across multiple African nations. Their mixed-methods approach includes surveys and interviews to explore the factors influencing sustainability within IGOs, concentrating on aspects such as internal financial management, governance transparency,

and the political commitment of member states. Unlike Arhin, who highlights adaptive behaviours within organisations, Francis and Sammy stress the significant influence of institutional design and political commitment. They contend that without steady contributions from members and robust governance, NPOs will experience ongoing financial challenges, irrespective of their operational strategies.

Conversely, Barr et al. (2005) present a broader quantitative evaluation of the not-for-profit sector in Uganda. By surveying more than 300 NGOs, their research critically analyses the structure and dynamics of donor aid, particularly focusing on how funding arrangements shape organisations' behaviour. They reveal that donor funding tends to be highly concentrated and conditional, frequently dictating the agendas and operations of NPOs. This established dependency pattern diminishes organisational autonomy and ultimately compromises long-term sustainability. Their analysis foregrounds external structural constraints, particularly the unequal power dynamics between donors and recipient organisations.

Despite their distinct approaches, all three studies align in recognising that financial sustainability is a vital and pressing issue for organisations working in Africa's development sector. Each study acknowledges the disruptive effects of changing donor priorities and underscores the urgent need for organisations to devise novel strategies or frameworks to maintain viability. However, their perspectives diverge concerning the primary challenges: Arhin underscores the strategic agency of NGOs in responding to these shifts; Francis and Sammy concentrate on the

institutional and political dynamics impacting IGOs; and Barr et al. focus on the dependency on external funding and the distorting effects of donor influence on the agendas of not-for-profits.

These studies comprehensively provide the various sustainability challenges confronting African development organisations. They underscore the significance of context-specific strategies, institutional reform, and broader structural factors in addressing the uncertainties inherent in the donor funding landscape.

Complementary research indicates that NPO strategies for navigating donor aid volatility converge on the principle of funding diversification, identified as a crucial approach to mitigate the risks associated with overreliance on donor financing (Maier et al., 2014; Wicker et al., 2013). Income diversification has numerous advantages, such as enhanced organisational autonomy, accelerated growth, increased agility and responsiveness, and relevance to community beneficiaries (Kumi, 2017a; Arhin, 2016). The theories used in this study underpin this advocacy for diversification as a sustainable financial strategy for NPOs, supported by a consensus in related scholarly investigations (Arik et al., 2016; Bucher et al., 2016; Katz & Brock, 2014; Maier et al., 2014; Wicker et al., 2013).

Contrarily, some studies challenge the linear correlation between income diversification and financial sustainability (Chikoto et al., 2015; Wicker & Breuer, 2015), proposing an ‘income concentration strategy’ recommendation. Proponents of this perspective argue for a focused commitment to core missions, emphasising resource mobilisation and fundraising over

diversification, which may dilute competencies and strategic focus. These findings also critique cost-cutting measures as potentially detrimental, suggesting that poorly managed austerity efforts could lead organisations to manipulate financial records to meet unrealistic donor benchmarks, thus risking a 'starvation cycle.' Notably, advocates for cost-reduction strategies assert that employing volunteers can significantly decrease administrative overheads, thus attracting dedicated funders while maintaining necessary operational efficiencies (Kumi, 2017a; Arhin, 2016; Hyndman & McConville, 2016).

Literature Gap

Numerous studies have meticulously explored the landscape of donor funding and its implications for the sustainability of not-for-profit organisations. Arhin (2016) underscores the detrimental consequences of excessive reliance on donor aid, which poses significant challenges to the long-term viability of NPOs. In contrast, Barr et al. (2009) highlight the irregular and unequal nature of funding in the NPO sector, identifying funding and budget limitations as pervasive obstacles that influence operational scope and programmatic focus. Additionally, Francis and Sammy (2018) posit that dependence on external donor funding restricts the operational flexibility and sustainability of NPOs.

Despite these insights, the prevailing literature often attributes fluctuations in donor funding and their repercussions on NPO sustainability predominantly to financial crises as a singular, overarching factor (Mawdsley, 2012; Dubochet, 2012; INTRAC, 2014; Kumi, 2017a;

Arhin, 2016; Hyndman & McConville, 2016). While financial considerations undeniably play a critical role in donor aid discourse, expanding the research agenda to encompass a broader spectrum of factors influencing these dynamics is imperative—the interactions and complex relationships between donor aid shifts and their impact on NPO sustainability warrant further investigation. Regrettably, existing literature on this subject remains limited, especially concerning the intersection of donor aid shifts and NPO sustainability. This study endeavours to bridge this existing gap.

Furthermore, while financial sustainability is crucial for organisational resilience, the literature should adopt a holistic perspective that transcends mere financial availability (WACSI, 2015; Arhin et al., 2015; Kumi, 2017c). Sustainability must be contextualised appropriately, balancing the myriad components and constructs beyond fiscal considerations (WACSI, 2015). Thus, this research will comprehensively address sustainability, generating evidence on the most pivotal aspects and how they interrelate—or act independently—to shape NPO sustainability and strategic directions.

The complexities of donor aid shifts necessitate appreciating the intricate trade-offs among various aid instruments, as no single modality can operate independently. There exists a critical gap in the discourse regarding the applicability of these aid modalities to NPOs. Most literature primarily focuses on modalities directed towards governmental recipients, such as General Budget Support, Sector-Wide Approaches, and comparable frameworks, which are

predominantly geared toward governmental structures (Frantz, 2004; Europe et al., 2004; Netherlands MOFA, 2003). The existing corpus primarily examines how NPO roles have evolved within governmental contexts amidst paradigm shifts in aid modalities. This leaves the crucial questions unanswered concerning the relevance and application of existing aid modalities to the NPO sector and how these shifts have influenced NPO sustainability. This research is intended to address these pressing inquiries.

The current understanding of how not-for-profit organisations have navigated the evolving landscape, particularly in terms of sustainability strategies, remains ambiguous due to a lack of definitive evidence from existing research (Tandon et al., 2013; Rajarajeswari, 2013; Arhin et al., 2015; Kumi, 2017b). Given the complexities inherent in the donor aid architecture, this study explores the dynamics of NPO sustainability and the strategies employed to adapt to a precarious environment. It specifically focuses on how these organisations have effectively responded to the volatility in aid flows and the broader implications for their operational resilience.

CHAPTER 3: RESEARCH METHODS

Introduction

This chapter delineates the research methodology implemented in this study. It provides a comprehensive overview of the research design, specifies the target population, and elucidates the sample size criteria. Furthermore, it describes the sampling techniques employed and the data collection methods and instruments utilised for data acquisition. Quality assurance protocols, including validity and reliability considerations, are also discussed. The chapter elaborates on the procedural framework for data collection, the analytical approaches employed for data interpretation, the metrics used for variable measurement, and the ethical considerations pertinent to the study.

Research Approach and Design

This research adopted an explanatory sequential mixed methods design, a commonly utilised strategy in applied social sciences. This approach encompasses two sequential phases: a preliminary quantitative phase and a subsequent qualitative phase. The primary aim is to discern significant numerical patterns and relationships via quantitative analysis, followed by applying qualitative methodologies to deepen the understanding and interpretation of these quantitative findings (Creswell & Plano Clark, 2011).

The choice of this research design is grounded in its ability to address the complexities associated with assessing how changes in international donor aid influence the sustainability strategies of not-for-profit organisations. The intricacies of donor aid—encompassing various modalities, determinants of allocation, and recipient effectiveness—necessitate a mixed-methods approach, as purely quantitative or qualitative methods would fall short in capturing the necessary depth and scope. The quantitative phase of the study facilitates the measurement of relationships among critical variables and the strategic responses of NPOs. Meanwhile, the qualitative phase enriches the analysis by providing contextual insights and interpretations of

the observed statistical trends, particularly when the findings deviate from expectations or lack clarity.

In this research, quantitative data was initially gathered and analysed to assess the magnitude and significance of the relationships between various elements of international donor aid and the sustainability strategies employed by not-for-profit organisations. Subsequently, a qualitative inquiry was undertaken to delve deeper into the underlying motivations and mechanisms that elucidate the identified correlations, leveraging the lived experiences and insights of selected NPO leaders. This design effectively addressed the research questions and hypotheses posed in the study. Specifically, the quantitative component focused on testing hypotheses related to the significant effects of various donor aid modalities on sustainability strategies. In contrast, the qualitative phase offered more profound insights into the mechanisms underlying these effects, revealing that specific modalities, such as results-based financing, had a more pronounced influence than others, like pooled funding.

The mixed methods design employed in this study reflects a pragmatic approach, emphasising resolving practical issues rather than strictly adhering to established philosophical doctrines. This research moves beyond the usual dichotomy of positivism, often associated with quantitative methodologies, and interpretivism, which is typically linked to qualitative strategies. Instead, it skillfully integrates both paradigms to harness each offer's unique advantages (Johnson & Onwuegbuzie, 2004). The positivist framework guided the meticulously structured statistical analysis, enabling a precise examination of the relationships between various variables. In contrast, the qualitative aspect adopted an interpretivist lens, delving into the meanings, experiences, and perspectives that emerge from the real-world interactions between donors and not-for-profit organisations. This comprehensive approach enriches the findings and provides a deeper understanding of the dynamics at play within these critical relationships.

This blended methodological framework enabled a synergistic approach, where quantitative outcomes established a structural basis for more profound investigation. At the same time, qualitative data provided critical context and nuance to the statistical findings. For instance, while the quantitative analysis revealed a negative correlation between donor-recipient effectiveness and nonprofit organisation strategies, qualitative insights revealed that stringent accountability requirements can, in specific contexts, hinder rather than foster sustainability—an understanding that quantitative data alone could not provide.

The explanatory sequential mixed methods design was thoughtfully chosen for this study to achieve a dual objective: to systematically identify statistically significant correlations and to provide a nuanced, context-rich understanding of the findings that can inform effective donor strategies and improve practices within not-for-profit organisations. By employing this design, the research aimed at creating a comprehensive framework that merges quantitative analysis with qualitative insights. This approach facilitated the quantification of relationships and trends and emphasised the importance of contextual factors influencing donor behaviour and organisational effectiveness. The analysis delved into the complexities of donor aid dynamics, allowing for a deeper exploration of how various elements interact to impact organisational sustainability.

With its focus on practical applications, the explanatory sequential mixed methods design aligns perfectly with the study's goals, ensuring that the results are not merely theoretical but can be translated into actionable strategies for donors and NPOs alike. This study thus contributes significantly to the ongoing theoretical discourse surrounding donor dynamics and the sustainability of organisations reliant on donor contributions, ultimately aiming to enhance donor engagement and organisational resilience.

Figure 2

Illustration of the Mixed Method Research Design

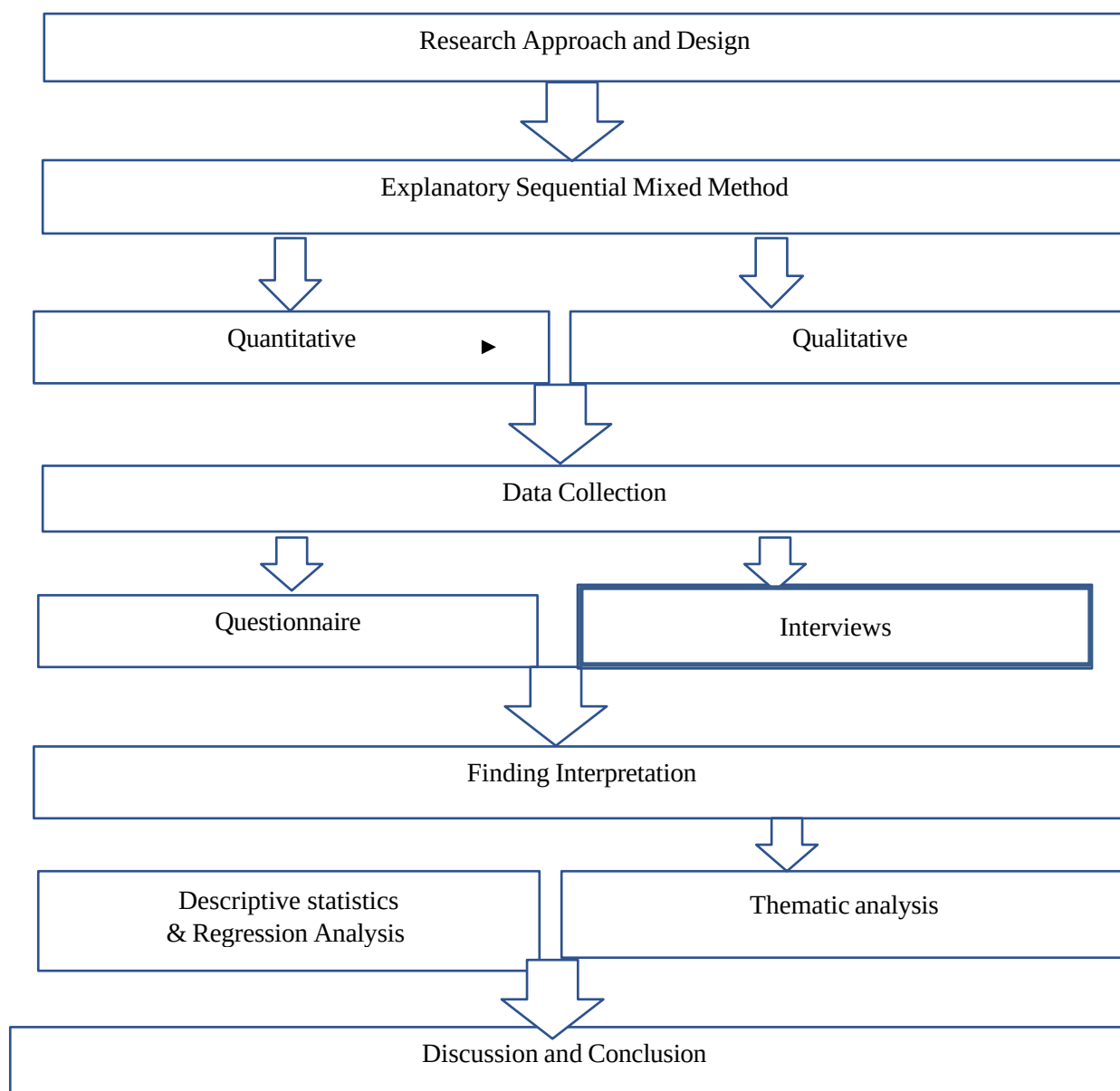


Table 1*Operational Definition of the Variables*

Objective	Variable Definition	Measurement Scale	Data Analysis
To assess the effects of international donor aid shifts on not-for-profit organisations' sustainability strategies in Uganda.	Dependent Variable: NPO Sustainability Strategies, defined as the organisation's ability to maintain its mission, financial stability, and programmatic effectiveness over time in the face of external shifts (Hailey & Salway, 2016; Arhin, 2016). Key dimensions include financial resilience, operational continuity, identity preservation, and intervention adaptability. For this study, key constructs picked are financial and identity sustainability as key components for NPOs' sustainability. Independent Variable: International Donor Aid Shifts Encompasses reforms in aid patterns, instruments, scope, and conditionalities, measured through three constructs: (1) Donor Aid Modalities, (2) Donor Aid Allocation Determinants, and (3) Donor-Recipient Effectiveness (Marinkovic, 2014; GACC et al., 2014; Kumi, 2017a).	Ordinal (Likert-scale survey responses on perceived shifts)	Descriptive statistics (frequencies, means), Multiple regression (to assess the effect of each independent variable on the dependent variable)
To establish the effects of international donor aid modalities on NPO sustainability strategies	Independent Variable: Donor Aid Modalities; Refers to mechanisms by which aid is delivered and managed (e.g., pooling funds, project aid, budget support, results-based funding, localisation, and sector-wide approaches). These modalities reflect the structure and conditionality of aid relationships	Ordinal (Likert-scale survey responses on perceived shifts)	Descriptive statistics, Regression analysis to isolate the predictive power of each modality

	(Lavergne & Anneli, 2003; World Bank, 2011a). Measurement: Assessed through survey questions asking NPOs to rank their reliance on each modality and its impact on sustainability		
To examine how donor aid allocation determinants influence NPO sustainability strategies	Independent Variable: Donor Aid Allocation Determinants; Factors that drive donors' decisions in allocating aid, categorised as: • Egoistic Interests: Political or economic ties, ideological alignment (Keijzer & Lundsgaarde, 2017) • Altruistic Motives: Poverty alleviation, humanitarian needs (Collier, 2016) • Governance Considerations: Anti-corruption, democratic accountability. Measurement: Likert-scale items assessing NPO perception of donor motivations and influence on funding allocation.	Ordinal (Likert-scale survey responses on perceived shifts)	Descriptive statistics, and Regression analysis to determine the strength and direction of relationships
To assess the relationship between donor aid- recipient effectiveness and NPO sustainability strategies.	Independent Variable: Donor-Recipient Effectiveness; Assessed through three sub-constructs: • Accountability: Quality of compliance reporting, audit transparency • Value for Money: Cost-effectiveness, demonstrated impact per dollar received • Donor Compliance Issues: Degree of alignment with donor safeguarding and program standards (Benjamin, 2012;	Ordinal (Likert-scale survey responses on perceived shifts)	Descriptive statistics, Multiple regression, Thematic triangulation with qualitative interview insights (explanatory follow-up phase)

	Cronin & O'Regan, 2002). Measurement: Document reviews (audit reports, donor ratings) and Likert-scale survey items on perceived impact of each sub-construct.		

Target Population

This study focused on international and national not-for-profit organisations registered in Uganda from 1990 to 2019. This timeframe marks a pivotal evolution in the global aid context and a significant growth in the NPO sector within Uganda. According to the Uganda NGO Bureau, by 2019, more than 2,000 NPOs had been officially registered, reflecting considerable sector expansion and increasing diversification in donor funding strategies (Kasirye & Lakal, 2019; Habraken et al., 2017). These changes occurred alongside global shifts in donor aid modalities and allocation mechanisms, underscoring the necessity of this period for investigating the sustainability of NPOs amidst a dynamically evolving donor landscape.

The study targeted Country Directors and members of Senior Leadership Teams within the organisations, a strategic choice given their pivotal roles in managing donor relations and sustainability planning. These leaders are well-positioned to provide insights into the nuances of donor aid transitions and their implications on program implementation and organisational strategy. Inclusion criteria focused on country directors and senior leaders who had been actively involved with the organisation during or before the relevant donor shifts, provided informed consent for participation, and were available throughout the data collection phase. Exclusion criteria comprised individuals who were not present during the specified donor transitions, those who opted out of participation, respondents with limited proficiency in English, and those located in regions deemed inaccessible due to logistical or security constraints during the data collection period.

The study acknowledges the potential for response bias due to limited access to senior staff members, who may be predisposed to offer socially desirable responses, especially when discussing sensitive topics such as donor compliance or internal strategies. To address these issues, the study implemented measures like ensuring respondent anonymity, triangulating data from multiple sources, and providing flexible interview scheduling to encourage participation.

While this section provides an overview of the population's characteristics, Section 3.5 delves into the specifics of the sampling frame, sample size determination, and the sampling methodologies utilised to obtain a representative sample. The sample was meticulously crafted to capture the diversity within the NPO sector in Uganda, encompassing various factors such as geographical distribution, thematic focus, organisational size, and donor dependency, thereby enhancing the credibility and transferability of the findings.

Determination of the Sample Size

According to the Uganda NGO Bureau (2020), approximately 200 international and national not-for-profit organisations registered between 1990 and 2019 have been confirmed to maintain active operational status and valid registration per the most recent reporting period. While it is important to note that registration status may not always accurately reflect actual operational activity—due to factors such as attrition, inactivity, or suspension—this estimate provides a reasonable and practical framework for sampling. The NGO Bureau's periodic updates offer the most credible and accessible database regarding functioning NPOs in Uganda.

To determine the appropriate sample size for a relatively small finite population ($N = 200$), the study employed the **Taro Yamane (1967)** formula, which is widely used for calculating sample sizes in small, known populations. The formula was preferred over others (e.g., Krejcie & Morgan) due to its simplicity, reliability, and suitability when no prior population variance estimates are available and the entire population is less than 400 units. The

formula and the calculations were performed as shown below: $n = \frac{N}{(1+N(e^2))}$ where;

N-Population size=200

e-Degree of precision =0.05 at 95% confidence level

Substituting into the formula; $n = \frac{200}{(1+200(0.05^2))}$; n=133 NPOs. The sample size for the study

was 133 NPOs.

Sampling procedures

The study utilised a stratified systematic random sampling method for the quantitative component to ensure comprehensive representation across critical subgroups of not-for-profit organisations in Uganda. The sampling frame comprised 200 active international and national NPOs registered between 1990 and 2019, sourced from the official registry maintained by the Uganda NGO Bureau. This list was then organised alphabetically to facilitate the systematic sampling procedure.

To enhance the accuracy of the sample and guarantee proportional representation, the 200 NPOs were stratified into two primary categories: international NPOs and national (indigenous) NPOs. Within each stratum, systematic sampling was employed by establishing a random starting point and subsequently selecting every Nth organization based on a predetermined sampling interval. With a target sample size of 133 NPOs drawn from a population of 200, the sampling interval was derived as follows:

$$\text{Sampling Interval (k)}=200/133\approx 1.5$$

Due to the impracticality of a 1.5-sampling interval in systematic sampling—given the inability to select half of an organisation—the interval was adjusted to 2. Consequently, every second not-for-profit organisation was chosen from the ordered sampling frame while ensuring proportional adjustments across strata to maintain representativeness. Any discrepancies in

over- or under-representation arising from this rounding are rectified during the stratified allocation process. The ordered sampling frame can be found in Appendix 2.

For the qualitative segment of the study, purposive sampling was utilised to identify 10 key informants in senior leadership roles, specifically Country Directors and Senior Leadership Teams, from the selected NPOs. These individuals were selected due to their strategic positions and comprehensive understanding of donor-NPO dynamics and sustainability strategies. Integrating qualitative and quantitative methodologies through triangulation facilitated a more nuanced comprehension of the quantitative data, leveraging qualitative insights to elucidate, contextualise, or contest emerging trends.

The implemented mixed sampling strategy was essential for achieving the depth, rigor, and complementary insights inherent in an explanatory sequential mixed methods design. This process persisted until the sample was fully depleted (Refer to Appendix 2 for a list of sampled NGOs).

Sample Allocation

A proportional stratified sampling approach was utilised to ensure equitable representation of international and Indigenous not-for-profit organisations within the quantitative phase of the study. The total population comprised 200 NPOs, 162 international NPOs and 38 Indigenous NPOs, representing 81% and 19% of the total population, respectively, based on data from the Uganda NGO Bureau (2020). A calculated sample size of 133 NPOs was allocated across the two strata in direct proportion to their respective population shares.

The table below provides a detailed illustration of this allocation:

Table 2:
Sample Size Allocation

Nature of NPOs	Population (N)	Proportion (%)	Allocated Sample Size
International NPOs	162	81.00%	108
Indigenous NPOs	38	19.00%	25
Total	200	100%	133

The use of proportional allocation is grounded in its ability to reflect the relative proportions of NPO types within the overall population, thus improving the generalizability of the results and reducing sampling bias (Kothari, 2004). This methodology ensures that both strata—international and Indigenous—are sufficiently represented, which is essential for the study's aim of analysing how different modalities of donor aid and the factors influencing allocation affect the sustainability strategies employed by NPOs.

Integration of Qualitative Sampling

The study employed purposive sampling to select participants for qualitative interviews, enriching the quantitative analysis and deepening the interpretative framework of the findings. This methodology was intentionally chosen to include individuals with substantial and pertinent experience regarding the effects of fluctuations in international donor aid on their organisations' sustainability strategies (Creswell, 2003). Participants were primarily senior leaders, encompassing roles such as Country Directors, Finance Directors, and Program Managers, who typically engage directly with donors and are pivotal in strategic decision-making processes. Acknowledging the potential discrepancies in the depth and breadth of expertise across these leadership roles, the study aimed to maintain a balanced representation from various functional areas within the senior leadership tier. This strategy was implemented to comprehensively capture diverse perspectives on donor engagement and sustainability approaches (Patton, 2001).

In determining sample size for the qualitative inquiry, the principle of data saturation was employed as a guiding framework. Saturation was deemed to be achieved when subsequent

interviews did not yield new themes, codes, or substantial insights. This process involved continuous analysis and memoing, enabling the researcher to systematically compare newly collected data against previously gathered information to identify redundancies. In this study, saturation was reached after the eighth interview, at which point additional interviews failed to uncover new concepts or perspectives (Guest, Bunce, & Johnson, 2006). Consequently, eight key informants in the study were interviewed, comprising participants from international and indigenous not-for-profit organisations. This approach aimed to enhance contextual breadth and ensure a representation of diverse institutional types and donor experiences.

Pre-testing of the Research Instrument

A pre-testing phase was undertaken to evaluate the validity and reliability of the data collection instrument aimed at assessing the influence of fluctuations in international donor aid on the sustainability strategies employed by not-for-profit organisations in Uganda. This phase focused on rigorously validating the questionnaire and ensuring its reliability, following established methodological standards (Mulusa, 1988; Mugenda & Mugenda, 2003).

Validity of the Research Instrument

To establish the instrument's validity, a pilot test was conducted involving 12 senior staff members from six not-for-profit organisations not included in the main study sample. This approach mitigated the risk of contamination or respondent bias. The pilot sample size was slightly increased beyond the initial target of 8–10 participants to enhance the identification of potential weaknesses regarding the tool's clarity, structure, and relevance.

Two types of validity were assessed:

Face Validity: The pilot participants critically evaluated the questionnaire for clarity and relevance. Their insights were instrumental in identifying ambiguous or poorly articulated items, which were subsequently revised to enhance precision.

Content Validity: Subject matter experts, scholars, and practitioners with expertise in international aid and NPO sustainability reviewed the instrument to ensure comprehensive coverage of key domains, including donor aid modalities, determinants of donor allocation, aid-recipient effectiveness, and NPO sustainability strategies.

This iterative validation process significantly improved the instrument's accuracy, contextual alignment, and appropriateness for the study's aims.

Reliability of the Research Instrument

During the pilot study, the researcher assessed the validity and reliability of the questionnaire. The internal consistency of the scale items was evaluated using Cronbach's Alpha, with a benchmark of 0.70 established as acceptable for social science research (Cronbach, 1951; Gliem & Gliem, 2003). Each primary construct—donor aid modalities, allocation determinants, aid-recipient effectiveness, and sustainability strategies—was scrutinised for reliability.

The reliability analysis from the pilot phase revealed that the instrument exhibited satisfactory internal consistency across all primary constructs. In light of these findings, the study implemented refinements to improve the coherence and interpretability of items with low reliability scores. These measures ensured that the final version of the questionnaire employed in the main study was both valid and reliable, thereby enhancing the overall methodological rigour of our research.

Data Collection Procedures

The study utilised a multi-step approach targeting Country Directors and Senior Leadership Team members of the selected not-for-profit organisations to ensure a systematic and rigorous data collection process.

- i. The researcher commenced with an extensive data mining process to identify and

compile a comprehensive list of contact information for the sampled NPOs. This included senior leaders' official email addresses and phone numbers, forming the foundation for structured outreach.

ii. Formal invitation letters, called gatekeeper letters, were emailed to organisational gatekeepers, typically consisting of executive assistants, administrative officers, or receptionists. These gatekeepers played a pivotal role in facilitating access to the relevant decision-makers by confirming the availability of eligible participants and supporting the study to urge the targeted respondents to respond to the questionnaire.;

iii. Upon receiving consent from the relevant participants, the researcher distributed the link to the online questionnaire. Given the sensitive and high-stakes nature of the information required, the study implemented structured online surveys for the quantitative component and conducted telephone or zoom interviews for the qualitative aspect. All interactions were scheduled in advance to accommodate participants' availability.

iv. To address potential non-response bias commonly associated with online self-reported methods, the researcher conducted several follow-ups through emails and phone calls to improve participation rates. Furthermore, efforts were made to triangulate findings with qualitative interviews and ensure representation across various organisational types, including international and indigenous not-for-profit organisations

v. To enhance the quality of responses, the online questionnaire—administered via KoboToolbox—incorporated automatic validation rules and logic constraints. Respondents were required to complete all necessary fields before advancing to subsequent sections, and a save-and-return option was provided to accommodate participants with busy schedules. Each completed form was subjected to a manual review for completeness prior to data analysis.

Data Analysis

As previously outlined, this study adopted a sequential explanatory mixed-methods design. First, quantitative data was collected and analysed, followed by qualitative data to elucidate or expand upon the quantitative findings. Consequently, quantitative and qualitative analytical techniques were systematically employed per the study's research questions.

Quantitative Data Analysis

Quantitative data collected from structured questionnaire responses were coded and analysed using IBM SPSS Version 26. Descriptive statistics, including frequencies, percentages, measures of central tendency (mean, median), and dispersion (standard deviation), were used to summarise respondent characteristics and key study variables.

For inferential analysis, Chi-square tests of independence were used to examine the relationship between categorical variables, such as donor aid modalities and sustainability strategy constructs (e.g., identity, finance, operations, interventions). While not a direct correlation test, the Chi-square test was appropriate to determine whether statistically significant associations existed between the categorical variables. An ordinal logistic regression was also used to assess the predictive effect of key independent variables, donor aid modalities, allocation determinants, and aid-recipient effectiveness on NPOs' sustainability strategies. This approach enabled the identification of statistically significant predictors while controlling for background variables.

Qualitative Data Analysis

Qualitative data from in-depth interviews and open-ended questions were analysed using thematic content analysis. Responses were first transcribed, then manually coded into

categories and sub-themes based on both a priori themes informed by the study objectives and emergent themes arising from the data. To enhance trustworthiness, two researchers reviewed coding, and intercoder reliability was assessed informally through iterative discussions to ensure consistency in interpretation. Data was organised using Excel and analysed using NVivo. This enabled systematic triangulation of the qualitative findings with the quantitative results, enhancing the study's explanatory power.

Research Ethical Considerations

The study followed a rigorous process that resulted in the approval of the research ethics application by UNICAF and the Uganda Research Ethics Committee before initiating the data collection phase. The research aimed at assessing the effects of shifts in global donor aid on the sustainability of not-for-profit organisations. This area of investigation required adherence to established rules of conduct, standards, and ethical guidelines to ensure that no harm comes to the research subjects and participants involved. The ethical principles underpinning the research emphasise the importance of accountability while safeguarding other critical moral and social values and ensuring compliance with relevant laws and health and safety standards. It is crucial to recognise that any shortcomings in research ethics can have serious repercussions for the subjects involved (David, 2015).

Among the key ethical principles that guided this study were informed consent, protection of participants, the option to withdraw from the investigation, and confidentiality.

Informed Consent Rule

One of the fundamental ethical research principles upheld in this study was ensuring that participants were fully informed about the risks and benefits of the research and agreed to take part voluntarily, without coercion or manipulation. The researcher made a concerted effort to thoroughly understand the APA's ethics code, which stipulates that psychologist conducting research must inform participants about several key aspects. These include the purpose of the

research, its duration, participants' rights to decline participation or withdraw at any time, anticipated consequences, and foreseeable factors that may impact their involvement, such as risks and discomfort. Additionally, participants should be made aware of any potential benefits, the limits of confidentiality—such as data coding, sharing, and archiving—and when confidentiality will be meaningfully upheld and utilised to engage respondents in the study (American Psychological Association, 2002).

The study protocols were followed in the context of the informed consent process to communicate to participants the likelihood, magnitude, and duration of any potential risks or benefits associated with their participation. They emphasised their voluntary involvement and discussed alternative treatment options and research opportunities (Deborah, 2013). The study utilised anonymous questionnaires, ensuring that any responses provided would not impact the participants' financial status, reputation, or employability.

Time was dedicated to engaging participants in the study and clearly explaining its scope and purpose, which was exclusively focused on the doctoral study program. Participants in the study were assured that the findings would be presented in a manner that would protect their anonymity, preventing any information from being traced back to them. A consent request letter was prepared to obtain informed consent, and participants in the study were asked to complete a consent form integrated into the Kobo tool. Those who agreed to participate signed an online consent statement as evidence of their affirmative response, indicating that they willingly chose to participate in the study without any duress or coercion.

Confidentiality

Adhering to participants' confidentiality and privacy rights was fundamental to the ethical principles of this research. Throughout the information-gathering process, the study carefully inquired whether participants felt comfortable discussing sensitive topics, ensuring

they were not placed in awkward situations. As a guiding principle, participants were free to decide how much information they wished to share, and the study made every effort to respect this preference. Before disclosing any information, participants were assured that their data would be handled with the utmost confidentiality (Deborah, 2013).

Critical steps were taken to uphold the confidentiality rule, which included discussing the limits of confidentiality with participants, particularly outlining how their data would be utilised and managing case materials such as photos, audio, and video recordings. The study was also mindful of pertinent legal requirements; merely informing participants was insufficient—applicable laws would still be strictly adhered to (Deborah, 2013). This study implemented practical measures to ensure data security, thereby safeguarding participants' confidential information. To achieve this, the study established controls including limiting access, encrypting data, and restricting sharing (APA, 2002).

The ethical principle that guided this research study was essential for safeguarding participants. Under the framework established by Bryman and Bell (2007), the study ensured the protection of key aspects while upholding the participants' confidentiality. These aspects included: preventing harm to research participants, respecting their dignity, obtaining informed consent prior to the study, protecting the privacy of research participants, and maintaining a satisfactory level of confidentiality regarding the research data.

Additional considerations addressed in the study encompassed the anonymity of both individuals and organisations involved and avoiding any deception or exaggeration regarding the research's aims and objectives. Furthermore, issues related to affiliations, sources of funding, and potential conflicts of interest were disclosed in advance.

The study prioritised honest and transparent communication, steering clear of any misleading information while presenting participant information fairly and accurately. In line

with the commitment to participant protection, care was taken to ensure that the study did not cause embarrassment, threat, or offence, and efforts were made to avoid any intentional or unintentional harm to them.

Right to withdraw

In this study, the right of participants to withdraw from the research investigation was regarded as an inherent entitlement, firmly rooted in the principles of research ethics. This right was understood to be a legal and institutional privilege, and the study rigorously upheld it. The right to withdraw is recognised in all national and international guidelines concerning research involving human subjects. It was the study's responsibility to honor and not infringe upon this legally and institutionally granted right of participants. The ethical principle surrounding the right to withdraw protects participants from information imbalances, inability to make informed choices, inherent uncertainties, and intrusions, thereby fostering public trust in this area of research. This principle ensured the study adhered to the right to withdraw and acknowledged its legal protection. Participants can contest any perceived or actual violation of this principle (Schaefer & Wertheimer, 2010). The study was also mindful of the sensitivity surrounding donor data protection policies and the competitive landscape of not-for-profit organisations, particularly regarding fundraising efforts.

Deception

The area of concern that this ethical principle in research addresses is the issue of deception. According to the APA (2002), deception involves misrepresenting information related to the investigation's purpose, nature, or results; this can arise from errors of omission or commission during interactions with research participants. Omission deception occurs when researchers fail to fully disclose all relevant information about critical aspects of the study. In contrast, commission errors involve researchers providing either partial or entirely misleading

information (Keller & Lee, 2003). Deception in research has emerged as a significant ethical concern, particularly gaining attention in education and social science (Keller & Lee, 2003). The study emphasised presenting findings authentically and credibly, ensuring that no participating organisation would be placed in an awkward position or face disrepute due to misrepresentation of information.

CHAPTER 4: DATA ANALYSIS AND RESULTS

Introduction

This explanatory sequential mixed-methods study investigated the impact of shifts in International Donor Aid on the Sustainability Strategies of Not-for-Profit Organisations in Uganda. Three key objectives guided the research:

1. To evaluate the influence of International Donors' Aid Modalities on the Sustainability Strategies employed by NPOs in Uganda.
2. To analyse the extent to which determinants of International Donors' Aid Allocation affect the Sustainability Strategies of NPOs within the Ugandan context.
3. To explore the correlation between the effectiveness of International Donor Aid recipients and the Sustainability Strategies of NPOs in Uganda.

In this analytical framework, shifts in international donor aid are dissected into three distinct dimensions: International Donor Aid Modalities, International Donor Aid Allocation Determinants, and International Donor-Aid Recipient Effectiveness. Concurrently, the sustainability strategies employed by not-for-profit organisations are operationalised through two critical dimensions: Financial Sustainability and Identity Sustainability. These parameters are essential for evaluating sustainability within the not-for-profit sector, as emphasised by the Centre of African Civil Society Institute (WACSI) in 2015.

Given NPOs' pronounced reliance on donor aid and grants, it was imperative to investigate the ramifications of these aid shifts, whether beneficial or detrimental. This inquiry sheds light on how NPOs navigate and recalibrate their sustainability strategies in response to the dynamic landscape of donor aid trends (Arhin et al., 2015).

This chapter further delves into the findings vis-à-vis the proposed hypotheses and research questions. It introduces the chapter's foundational aspects, including an appraisal of the collected data's trustworthiness, reliability, and validity, while presenting the findings through graphical representations, tables, and inferential statistics. It further scrutinises the results and culminates in a discussion summary. By triangulating insights from quantitative and qualitative data, along with various credible secondary sources, the chapter aims to deliver a comprehensive analysis of the impacts of international donor aid shifts on the sustainability strategies of NPOs in Uganda.

Trustworthiness of Data

Robust data quality, precision, and validity are essential for establishing credible research outcomes. Trustworthiness is pivotal across quantitative and qualitative methodologies, ensuring results' credibility, dependability, transferability, and confirmability (Goertz & Mahoney, 2012). In quantitative research, trustworthiness hinges on the thorough derivation of numerical data that elucidates the interplay between theoretical frameworks and empirical inquiry. This perspective often aligns with a natural science paradigm characterised by an objectivist view of social realities (Polit & Beck, 2014).

Key variables such as internal and external validity, reliability, and methodological independence are imperative to uphold trustworthiness in quantitative analysis (Lincoln & Guba, 1985). This study's rigour was enhanced through meticulously designed research protocols, which were systematically adhered to during the data collection and analysis phases (Amankwaa, 2016).

The following subsections delineate the specific strategies employed to address each aspect of trustworthiness within this study.

Credibility: The study's credibility is grounded in the extent to which its findings

demonstrate reliability and veracity (Polit & Beck, 2014). The research employed a triangulation approach to bolster data credibility, integrating multiple data sources and collection methodologies. Specifically, primary data was obtained via a structured questionnaire distributed to a sample of 133 registered not-for-profit organisations in Uganda, with 101 organisations successfully responding to the online survey. Furthermore, qualitative insights were gathered through in-depth interviews with key informants, comprising leaders of selected not-for-profit organisations. These interviews aimed to elicit expert perspectives on emergent issues identified through the quantitative data analysis. By synthesising quantitative and qualitative data, the study provided a comprehensive understanding of the research topic while mitigating potential biases.

Member checking: The study implemented member checking with a subset of participants throughout the data collection phase. Specifically, the study disseminated preliminary findings to a targeted group of respondents from the involved NPOs to ensure the accuracy and relevance of the gathered data (Carlson, 2010). This member checking process enhanced the study's rigour by engaging select participants to confirm that the interpretations aligned with their lived experiences and viewpoints. Consequently, this approach bolstered the trustworthiness of the findings by incorporating direct feedback from the participants.

Data coding. This study's qualitative data analysis approach is characterised by a thorough, thick description methodology. This framework provides an in-depth account of the coding process, enabling readers to evaluate the analytical rigour and comprehensiveness of the findings (Skjott & Korsgaard, 2019). The study implemented open and axial coding techniques to systematically organise qualitative data obtained from key informants, facilitating the identification of significant patterns that contribute to quantitative data triangulation.

Extensive documentation practices, including detailed notes, audio recording memos, and verbatim quotations, were adopted to enhance transparency and credibility in data interpretation. Given that most interviews were conducted via online platforms, digital technology was employed to obtain and preserve recordings with participants' prior consent. Throughout the analysis phase, the recorded interviews were revisited to ensure accurate and reliable qualitative data analysis, reinforcing the integrity of the findings.

Transferability of the data: To enhance the transferability and applicability of the study's findings across various contexts, the findings and discussion sections meticulously delineate the research environment and participant characteristics (Polit & Beck, 2014; Cope, 2014). The in-depth coding and interpretative frameworks facilitate a robust assessment of the results' relevance to Uganda's context.

Dependability of the data: Quantitative and qualitative data collection methods were utilised to maintain data integrity over time under the specified study conditions (Polit & Beck, 2014). These methodological approaches facilitated evidence convergence, bolstering the reliability of the study's findings. The quantitative data validated and enriched the insights derived from the qualitative analysis. Chapter 4 (Methodology) explains the research design, including the study population, sampling strategies, data collection instruments, and analytical procedures. This thorough documentation ensured that future scholars could replicate or expand the research, thereby enhancing its overall dependability.

Confirmability: Confirmability pertains to the reliability and replicability of the study's findings. In this context, the researchers made a concerted effort to identify and disclose potential biases, articulating the influence of personal perspectives on the research outcomes (Polit & Beck, 2014; Cope, 2014). Reflexivity was rigorously applied, ensuring transparency

regarding the researcher's role and impact on data interpretation. Additionally, a comprehensive audit trail was maintained throughout the research lifecycle, documenting decisions, challenges, and any modifications to the research design. This audit trail provided a verifiable record, facilitating the assessment of the confirmability of the findings.

In discussing the limitations of the research, the potential biases were candidly acknowledged. Firstly, being a mixed-methods study, the qualitative analysis was subject to the researcher's interpretations, which could introduce elements of subjectivity and bias. Nonetheless, the study employed triangulation with external data sources, enhancing the credibility and robustness of the findings. Secondly, applying Chi-square tests was deemed appropriate for exploring associations between variables, though it is acknowledged that this methodology might not fully capture all confounding factors influencing those relationships.

To address the potential for socially desirable responses on the Likert scale, which could lead to an overrepresentation of positive or socially acceptable attitudes, the study carefully formulated the questions in a neutral and non-leading manner. This deliberate approach ensured the study's commitment to presenting an unbiased account of the findings and enhanced the confirmability of the research results.

It is important to note that the study relied on the organisation leaders to provide both quantitative and qualitative data. It did not explore other secondary data sources within the organisations' records that might have yielded additional insights during the data analysis process. Nevertheless, combining quantitative and qualitative methods, data triangulation helped mitigate this limitation. Collecting qualitative data following the quantitative analysis allowed for a deeper examination of emerging issues identified in the quantitative findings.

Reliability and validity of data

The study implemented a pre-test of the questionnaire instrument involving a sample of five

not-for-profit organisations that the study did not include in the primary sample. This step was crucial to preventing contamination and mitigating bias during fieldwork. The primary objective of the pre-testing was to ensure a high degree of confidence in the suitability of the research instrument for its intended purpose, thereby facilitating a thorough assessment of its validity and reliability (Howard, 2019). This preliminary evaluation also aimed to identify potential issues within the questionnaire, including logical inconsistencies, ambiguous wording, poorly structured questions, and suboptimal sequencing, all of which could compromise data quality (Howard, 2019).

The study employed both face and content validity to assess the questionnaire's validity as a vital research tool. For face validity, the researcher solicited feedback from the pilot group, inviting them to review the research instruments and recommend modifications or improvements to enhance the instrument's applicability. Content validity was established by ensuring representativeness within the sample population and drawing inferences from test scores that reflect a broad domain of items relevant to the assessment (Polkinghorne, 1988; Cronbach, 1971).

Following the pretesting exercise, experts well-versed in donor aid dynamics and the sustainability strategies of not-for-profit organisations were engaged to evaluate the proposed research instruments. This validation process aimed to confirm the instruments' appropriateness, relevance, and suitability before their application in the final study. Insights gathered from these subject matter experts were instrumental in refining the instruments to eliminate vagueness, redundancy, and ambiguity, ultimately enhancing their quality.

The pretesting phase advanced with analysing the results, validity testing using SPSS and Pearson correlation coefficients was performed. The findings revealed that all item correlations were above 0.4, indicating a strong relationship between each question and its

respective construct, affirming the instrument's validity.

Additionally, the reliability of the study instruments was systematically evaluated for both dependent and independent variables. The measurement of reliability employed Cronbach's alpha, which assesses internal consistency among items within a scale. Sekaran (2003) noted that a Cronbach's alpha value approaching 1 indicates a robust internal consistency reliability.

Upon examining the independent variables, the donor-aid modalities demonstrated strong internal consistency, as indicated by a Cronbach's Alpha of 0.82, approaching the ideal of 1. This alpha value, falling within the range of 0.8 to 0.9, confirms that the reliability is sufficient for deriving valid results of the variable under investigation. Further analysis revealed that all items within each independent variable yielded alpha values exceeding 0.5, signifying that each question on the scale maintained reliability.

However, while the overall reliability for certain dependent variables—namely, donor aid-recipient effectiveness, donor aid allocation determinants, and sustainability strategies—was deemed acceptable, statistical assessments suggested that deleting, adjusting, or rephrasing specific items in the questionnaire could enhance instrument reliability. This necessitated careful paraphrasing and reverse coding of questions related to donor aid allocation determinants, donor aid-recipient effectiveness, and NPO sustainability strategies before data collection.

A subsequent reliability analysis was conducted after data were collected from the targeted not-for-profit organisations. The results confirmed that the gathered data exhibited high reliability, with a Cronbach's Alpha of 0.857, indicating that the items under each variable accurately reflect their respective constructs. For further details, refer to Appendix 1, which contains the reliability analysis of the collected data.

Results of Findings, including graphical illustrations

Introduction

This section presents data aligned with the study's three objectives, organised into two sections. The first section details the demographic characteristics of the respondents and the organisations represented. The second section explores the results related to the study's objectives, employing various analytical techniques, including charts, descriptive statistics, tables, and inferential statistics. These methods provide comprehensive summaries and graphical representations of frequencies and percentages, illuminating key aspects of the data.

Correlation analysis was conducted using chi-square tests alongside correlation coefficients to assess the relationship between shifts in donor aid and the sustainability strategies adopted by not-for-profit organisations. Furthermore, logistic regression analysis was employed to identify which elements of international donor aid shifts significantly predict these organisations' sustainability. Findings are interpreted in the context of the hypotheses, research questions, and themes established in the study's conceptual framework.

Additionally, this section encompasses social demographic data from respondents, results from chi-square tests, correlation analyses, and the logistic regression model, all of which address the study's objectives and corresponding hypotheses and research questions.

Response Rate

The response rate in research serves as a pivotal metric for assessing the reliability and representativeness of collected data, particularly in survey-based methodologies. It reflects the level of engagement among the sampled population and directly influences the generalizability of the study's findings. In the present investigation, 133 questionnaires were disseminated to selected not-for-profit organisations throughout Uganda. Of these, 101 organisations

completed and returned the questionnaires, yielding an impressive overall response rate of 75.9%. This elevated response rate underscores a significant interest in international donor aid and its implications for organisational sustainability within the NPO sector.

Mugenda and Mugenda (1999) noted that a response rate exceeding 50% is deemed sufficient for robust data analysis and reporting. Therefore, a response rate of 75.9% not only meets but surpasses the minimum threshold necessary to ensure the findings' reliability and representativeness pertinent to the broader NPO landscape. High response rates are critical in studies with heterogeneous organisational types, as they mitigate the risk of non-response bias, which could compromise the integrity of the results if a considerable segment of the target population opts out (Baruch & Holtom, 2008).

In contrast, research focusing on not-for-profit organisations often encounters challenges in attaining similarly high response rates, especially in contexts where organisations rely predominantly on donor funding. For instance, Dillman et al. (2014) reported that response rates in organisational surveys fluctuated between 30% and 60%, with the most favourable rates linked to implementing follow-up reminders and personalised engagement strategies. In this study, the high response rate can be attributed to a strategic approach in engaging NPOs throughout the survey distribution phase, highlighting the significance of the research while fostering collaborative relationships with the organisations involved.

The response rate indicates a strong alignment among NPOs—spanning international, national, and hybrid organisations—regarding the relevance of donor aid fluctuations and sustainability strategies to their operational frameworks. This notable participation rate, at 75.9%, suggests that the data collected will accurately reflect the landscape of the NPO sector in Uganda. High response rates enhance the robustness and credibility of findings, thereby fortifying the study's conclusions and recommendations (Groves et al., 2004).

The diversity of organisations involved, from large international entities to smaller national and Indigenous groups, further bolsters the data's representativeness. This diversity facilitates a cross-sectional analysis, examining the varying responses of different types of NPOs to shifts in donor aid. Such analysis can yield critical insights into sustainability strategies employed across the sector.

Acknowledging that response rates can also reflect an organisation's capacity is essential. NPOs experiencing resource constraints or operational difficulties are less likely to participate in surveys, possibly due to limited time or staff availability to complete the questionnaires. However, the fact that a range of organisations participated suggests that the study successfully captured input from the well-resourced international NPOs and smaller indigenous organisations. Several factors contributed to the high response rate achieved in this study. First, the topic's relevance to the daily operations of NPOs in Uganda likely motivated respondents to participate. Donor aid represents a critical resource for most NPOs, and shifts in donor priorities or funding modalities can significantly impact organisational sustainability. Unsurprisingly, organisations were eager to contribute their perspectives. Secondly, the method of questionnaire distribution, whether through personalised communication or follow-up reminders, likely played a role. In organisational research, personal engagement, clear instructions, and multiple contact points have improved response rates (Dillman et al., 2014). The use of electronic distribution methods, along with follow-up communication to encourage participation, may have also contributed to the positive response rate. Additionally, some NPOs may have seen the opportunity to participate in the study as a platform to voice their concerns or share their experiences with donors, adding to the perceived value of this study.

The table below delineates the response rates categorised by the type of not-for-profit Organisations, revealing a notably higher engagement from international organisations than their national or indigenous counterparts. Out of the 133 planned participants, 106

questionnaires were disseminated to international organisations, yielding 62 responses within this grouping. Conversely, national and indigenous organisations demonstrated commendable response rates, with 32 organisations participating, surpassing the initially projected target of 27. This observation highlights an intriguing phenomenon where some organisations previously classified as international have rebranded as national entities, illustrating a strategic adaptation to the evolving operational landscape.

Furthermore, while the study did not anticipate or specifically sample NPOs categorised as international and national, the response set included seven organisations identified with this dual classification. This finding underscores a significant trend among NPOs as they diversify their profiles to enhance their resilience and alignment with donor eligibility criteria. The distribution of responses across different types of NPOs provides valuable insights into the diversity of organisations operating in Uganda and their varying levels of engagement with the study. While the reaction from international organisations was slightly lower than anticipated, the fact that national organisations exceeded the expected participation level suggests a strong interest in the research topic within the local NPO community. This may reflect the acute impact of donor aid shifts on smaller indigenous organisations, which often rely more heavily on external funding than their larger international counterparts (Banks et al., 2015). The study response rate is shown in the table below

Table 3

Study Response Rate

Type of NPO	Planned	Actual
International Organisation	106	62
Both	-	7
National/Indigenous Organisation	27	32
Total	133	101 (75.9%)

NPO Social Demographic Information

Gathering socio-demographic data from the Nonprofit Organisations participating in this study was integral to the research design. Such demographic insights allow for a deeper comprehension of the contextual background of both the organisations and the respondents, which is vital for analysing the implications of variables like fluctuations in donor funding on organisational sustainability strategies. The heterogeneity inherent in these demographic attributes enhances the validity and robustness of the study, facilitating a more nuanced exploration of the research queries.

By scrutinising these demographic factors, the study sought to assess the degree to which various categories of NPOs, classified by their social and organisational characteristics, engage with and adapt to evolving donor aid modalities. This understanding is essential for deriving significant insights into how NPOs formulate and adjust their sustainability strategies in response to the dynamic landscape of donor priorities and resource distribution.

Respondent and Organisational Characteristics

The study encompassed diverse not-for-profit organisations, facilitating robust and varied data collection concerning the research variables. By deliberately selecting a heterogeneous sample, the research design sought to encompass a wide range of experiences and viewpoints, thereby enhancing the external validity of the findings. The characteristics of the sampled organisations included:

Type of Organisation: The organisations involved in this study varied significantly, encompassing international entities with substantial donor funding and resources, as well as smaller, indigenous or national organisations that depend primarily on limited local resources and specific donor initiatives. This diversity in organisational types was crucial for analysing how these entities navigate and adapt to changes in the donor aid landscape. Existing literature indicates that international organisations tend to develop more sophisticated sustainability

strategies, benefiting from their extensive experience in managing the complexities of donor relations (Banks et al., 2015).

The study's findings highlighted a trend among nonprofit organisations in response to evolving donor motivations and preferences, particularly with an emphasis on aid localisation. Some NPOs have modified their registration status to classify themselves as national and international entities, while others have transitioned from international NPOs to national ones. This shift reflects a broader paradigm in which donors increasingly favour channelling aid through organisations that align with localisation principles.

A salient observation from the response data was the emergence of a new category of NPOs identifying as international and national. Concurrently, there was a notable increase in the number of organisations reclassifying as national NPOs, despite their prior identification as international NPOs in the database. This trend underscores significant changes in governance, organisational structure, and registration practices within the sector to align with localisation demands.

Period of Organisation Existence in Uganda: The sustainability of an organisation is often linked to its stability and resilience in adapting to fluctuations in funding landscapes. Entities operational for over two decades tend to possess well-established donor relationships and comprehensive sustainability frameworks. Within this study, organisations with a longer-standing presence in Uganda likely have a competitive advantage in navigating donor variability, owing to their institutional memory and accrued experiential knowledge. Research indicates that more mature organisations are inclined to formulate structured sustainability strategies (Lewis, 2010).

Gender of the Respondent: Gender represents a critical demographic variable, especially considering its impact on leadership representation within not-for-profit organisations (NPOs). Gender composition in leadership roles can significantly shape

organisational priorities, particularly in relation to gender equality and women's empowerment initiatives. Research indicates that leadership teams exhibiting gender diversity are more likely to emphasise inclusive development programs, which align closely with the expectations of donor-driven initiatives (Kumi, 2017). The gender distribution among respondents in this study allows for a nuanced exploration of how gendered perspectives might influence sustainability strategies in the context of evolving donor priorities.

Respondent Role/Departments: The role or department of respondents within the organisation emerged as a significant variable in the study. Participants represented a range of functions, including fundraising, programs, finance, and leadership. This diversity of perspectives is essential, as fluctuations in donor aid can impact each department in distinct ways. For example, staff within programmatic roles may concentrate on recalibrating projects to adhere to evolving donor stipulations, while finance teams may focus on navigating funding volatility and its implications. Including varied departmental viewpoints in the survey provided a more nuanced analysis, facilitating a comprehensive understanding of how different organisational functions perceive and respond to changes in the donor aid landscape.

Period of Respondent's Stay in the NPO. The duration of employment within the NPO is a critical variable influencing respondent insights. Individuals who have spent significant time with their organisations are likely to possess a more profound institutional knowledge, which enables a more nuanced understanding of the organisation's historical responses to shifts in donor aid. In contrast, employees can contribute innovative perspectives on contemporary challenges stemming from recent changes in donor funding patterns. Longitudinal research on organisational change indicates that veteran staff members are often pivotal in effectively executing strategic transitions, particularly those aligned with sustainability objectives (Hyndman & McConville, 2018).

NPO's Operational Budget: The magnitude of an NPO's operational budget plays a

crucial role in its ability to adapt to fluctuations in donor funding. Organisations with larger budgets tend to exhibit greater resilience and operational flexibility in response to variations in donor support, as they are better positioned to diversify their revenue streams and adopt comprehensive sustainability strategies. In contrast, smaller organisations with constrained budgets often encounter more significant difficulties sustaining their programs and overall operations during periods of reduced donor aid. Research indicates that larger-budget organisations are more likely to establish contingency plans and engage in diversified funding mechanisms, thereby mitigating the adverse effects of shifts in donor contributions (Mitchell, 2014).

Program Areas of Focus: The study examined the programmatic focus areas of various organisations, highlighting those sectors, such as education, health, and human rights, that experience fluctuations in donor funding differently. For example, not-for-profit organisations dedicated to emergency relief or humanitarian aid typically face greater susceptibility to funding volatility than those operating in fields with more stable, long-term financial support (Koch et al., 2009). By analysing the specific programmatic focuses of NPOs, the study aimed to identify the unique challenges and opportunities each organisation encounters when adapting to shifts in donor dynamics.

Existence of a Sustainability Strategy: A well-articulated sustainability strategy is essential for organisations to enhance their resilience against fluctuations in donor funding. Entities with robust sustainability frameworks tend to demonstrate greater agility in adapting to evolving donor priorities or funding reductions. This study sought to assess the presence of such strategies among participating not-for-profit organisations and to delineate the key components these strategies encompass. Prior research underscores the critical role of proactive strategic planning in mitigating the vulnerabilities associated with dependence on donor aid (Weerawardena et al., 2010).

Core Areas of the Sustainability Strategy: The research examined the critical elements of sustainability strategies utilised by participating not-for-profit organisations (NPOs), focusing on diversifying funding streams, capacity-building efforts, and programmatic flexibility. These foundational aspects are vital for comprehensively understanding how organisations strategise for long-term sustainability, particularly in the context of variable donor support. NPOs that emphasise diversification and invest in capacity-building initiatives in their sustainability frameworks generally demonstrate greater efficacy in navigating shifts in the funding landscape (Pratt, 2016).

General Description of Respondents and Organisations

The demographic information gathered from respondents and their organisations offers a comprehensive overview of the sample population. This diversity in organisational and respondent characteristics enhances the overall robustness of the study. By capturing a wide array of perspectives and experiences, the research is well-positioned to draw meaningful conclusions regarding how NPOs in Uganda navigate and adapt to shifts in donor aid.

The following sections provide a detailed breakdown of the respondents' demographics and organisational characteristics, facilitating an in-depth exploration of the research variables. The diversity within the sample population bolstered the study's credibility, ensuring that the findings accurately represent the broader NPO sector in Uganda.

Type of Organisation

This study classified Not-for-profit Organisations operating in Uganda into three categories: International, National/Indigenous, and a hybrid of both (i.e., those registered internationally and locally). This classification provided critical insights into these organisations' diverse strategies in response to evolving donor aid modalities. As outlined in Table 1, our findings indicate that a predominant 60.4% of the participating NPOs were International. In comparison, National or Indigenous organisations comprised 32.7%: a smaller

segment, 6.9%, comprised organisations holding international and local registrations.

This categorical breakdown is pivotal for our analysis, as each type of NPO confronts distinct challenges and opportunities within the dynamic donor aid environment. It was essential to explore how these entities adjust their sustainability strategies based on their classification. By segmenting NPOs into these three distinct groups, the study enriched the dataset and conducted a more nuanced examination of the varied responses to shifts in donor aid, ultimately enhancing the overall rigour and depth of the study.

International not-for-profit organisations, which constitute a significant portion of the sample, typically possess robust resources and diverse funding streams that mitigate their vulnerability to short-term fluctuations in donor support. Their global footprint and extensive operational capabilities allow them to formulate sophisticated sustainability strategies, such as establishing multi-donor partnerships and broadening their funding bases across various geographic regions. Research indicates that these organisations exhibit a higher capacity to adapt to changes in donor trends by leveraging their global networks, institutional knowledge, and outreach to secure resources from multiple avenues, including private foundations, government grants, and international agencies (Anheier & Salamon, 2006). Such flexibility empowers the students to sustain operational stability, even amidst volatility in donor aid.

Nevertheless, international NPOs often face challenges aligning their initiatives with local needs and sustainability practices that may diverge from smaller, more localised entities. Their dependency on international funding can create a disconnect from the realities encountered by local communities, potentially resulting in a misalignment between the study and donor-driven priorities and the actual needs of those communities (Banks et al., 2015). Consequently, although international NPOs benefit from extensive resources, their adaptive strategies may prioritise maintaining donor relationships and compliance with international standards over genuine grassroots engagement.

National or Indigenous not-for-profit organisations, representing 32.7% of the sample, are often deeply integrated within their local communities. This proximity allows them to develop a nuanced understanding of their constituencies' specific needs and challenges. However, these organisations rely heavily on donor funding, rendering them vulnerable to donor priorities and allocation fluctuations. Unlike their international counterparts, national NPOs typically exhibit less institutional capacity and lack diversified funding streams to buffer against reductions in donor aid. As a result, they frequently adopt short-term survival strategies, which may include operational scaling, workforce reduction, or forming local partnerships to maintain program continuity (Mitchell, 2014).

The adaptability strategies employed by these organisations often focus on mobilising local resources and engaging community stakeholders. National NPOs are generally more proficient at collaborating with local governments, businesses, and grassroots organisations to bridge financial gaps when donor support diminishes. Their close alignment with the local context enables them to respond effectively to changing priorities, even though their financial sustainability remains tenuous. Furthermore, these organisations prioritise advocacy and lobbying to influence policy at local and national levels, aiming to create a more conducive funding environment.

A smaller segment of the sample (6.9%) includes international and locally registered hybrid organisations. These entities leverage a dual identity that integrates the global reach and resources characteristic of international organisations with the localised knowledge and operational agility typical of national organisations. This positioning enhances their ability to adapt to variations in donor aid by exploiting both international and local funding streams, effectively bridging the gap between global resources and localised operational needs.

Organisations in this category may formulate hybrid sustainability strategies that leverage the advantages of international and national not-for-profit organisations. For instance,

they may secure funding from global donors while concurrently establishing partnerships with local communities and governmental entities to bolster their legitimacy and sustainability. This study highlighted that these hybrid entities function as intermediaries, facilitating the translation of donor priorities into localised action plans while ensuring that local needs are sufficiently represented in international funding dialogues (Lewis, 2010). This dual operational mode enhances their adaptability to fluctuations in donor support and may confer greater resilience over the long term.

The categorisation of NPOs into international, national/indigenous, and hybrid forms lays the groundwork for a nuanced understanding of the diverse adaptability strategies pertinent to each segment. When faced with alterations in the donor aid landscape, these strategies manifest the distinct capacities, resources, and vulnerabilities characteristic of each organisation type. For example, international organisations typically prioritise strengthening partnerships with global funding agencies and carve out specific niches in providing technical assistance, systems development, and institutional fortification for local NPOs as they progress to a status where they can directly receive donor funding as primary entities. Conversely, national organisations often rely on grassroots community support and advocacy to sustain their programs despite funding retrenchments. National and local organisations are generally better positioned to leverage local and domestic fundraising opportunities through national resource mobilisation platforms, which include government channels, private sector involvement, individual contributions, and donor resources explicitly targeting local organisations.

The implications of these findings are substantial. By recognising the challenges inherent to different types of nonprofit organisations, the study is poised to develop more tailored recommendations to enhance their sustainability strategies. This may involve diversifying funding streams and fortifying partnerships with international entities.

For hybrid organisations, an emphasis on capacity-building and local resource mobilisation can mitigate reliance on external funding sources. The primary objective should be to balance international imperatives with regional priorities, ensuring that global funding criteria align with and address local needs effectively. The table below provides a detailed presentation of the results.

Table 4

Type of Organisation

Type of organisation	Frequency	Percentages
International Organisation	61	60.4%
National/Indigenous Organisation	33	32.7%
Both	7	6.9%

Period of the Organisation's existence in Uganda

Of the 101 not-for-profit organisations that participated in the study, a notable 55.4% were operational in Uganda for over two decades. Additionally, 27.8% reported a lifespan of 11 to 20 years, while 11.9% have been functioning for 6 to 10 years. Only 5% of the organisations have been established for less than five years.

The longevity of these organisations is pivotal in contextualising the study's findings. Organisations that have endured over time are typically more adept at navigating the evolving landscape of donor aid modalities. This longevity enables them to provide informed insights into the impact of these shifts on their sustainability strategies. With a comprehensive institutional memory, these long-standing entities have likely accumulated substantial experience addressing the complexities associated with donor aid fluctuations and the broader funding environment.

The predominance of organisations with over 20 years of operation enhances the reliability of the data collected in this study. Their extended engagement with the various transformations in the donor aid landscape over the years suggests they have developed

sophisticated strategies to adapt to shifting donor priorities and funding sources. This adaptability encompasses adjustments to funding types, alignment with donor policy changes, and responses to fluctuations in aid volume.

Organisations with extended operational histories typically cultivate more robust relationships with their donors, positioning themselves to navigate evolving donor expectations better. According to resource dependence theory, organisations reliant on external funding, such as donor contributions, actively seek to reduce uncertainty by establishing strong ties with these resource providers (Pfeffer & Salancik, 1978). The data indicating that a significant proportion of this study's nonprofit organisations have been operational for over 20 years suggests that they have likely developed enduring partnerships with donors. This strategic advantage can mitigate the adverse impacts of funding volatility.

Long-standing NPOs tend to implement several strategies to enhance their resilience, including refining their value propositions, developing risk appetite profiles, maintaining contingency and cash reserves, and optimising their support cost structures and allocation methods. Conversely, younger organisations, especially those established for less than five years (constituting 5% of the sample), may face challenges adapting to donor aid landscape changes due to their nascent operational frameworks. These entities are often still solidifying their donor relations and sustainability strategies, which may limit their adaptability compared to more established organisations.

Additionally, younger organisations often lack the institutional memory and resource breadth of their older counterparts, rendering them more susceptible to fluctuations in donor support. Empirical evidence suggests that newly established entities typically depend on a narrow donor base, increasing their vulnerability to the risks associated with shifts in donor aid (Burger & Other studies, 2013). Thus, the capacity of these organisations to withstand donor aid volatility is likely constrained compared to their more seasoned peers.

The study's findings on the longevity of the organisations are particularly relevant when considering sustainability strategies. Older organisations are more likely to have developed comprehensive and long-term strategies for maintaining their operations despite shifting donor aid landscapes. These strategies include diversifying funding sources, building local partnerships, and investing in capacity-building initiatives that reduce reliance on external donors. Additionally, organisations with longer histories may have been able to create endowments or other financial buffers that provide stability during periods of reduced donor funding.

Moreover, older organisations often have more formalised governance structures and established operational processes, which can further contribute to their ability to withstand changes in donor aid. They may also have more extensive networks within Uganda and internationally, which can be leveraged to secure alternative funding when needed. These factors suggest that organisations with more than 20 years of operational history are better positioned to adapt to shifts in donor aid, thereby ensuring their long-term sustainability. However, their years of existence may also be their undoing, especially decision-making processes, which may be lengthy, bureaucratic, less agile, and nimble. The results are shown in Table 5 below;

Table 5

NPO Period of Existence in Uganda

Period of the organisation's existence in Uganda	Frequency	Percentages
Below 5 years	5	5.0%
6-10 years	12	11.9%
11-15 years	15	14.9%
16-20 years	13	12.9%
Above 20 years	56	55.4%

Gender of Respondent

The study's results indicate a nearly balanced gender representation among the

respondents, with 52.5% female and 47.5% male. This relatively equal gender distribution among respondents is essential, as it provides a gendered perspective on how Not-for-profit Organisations in Uganda perceive and respond to shifts in donor aid. Given that gender often influences decision-making styles, organisational priorities, and leadership approaches, the gender composition of the respondents adds another dimension to the interpretation of the data.

Gender diversity within organisations, particularly in leadership and managerial positions, is increasingly recognised as an essential determinant of organisational performance and sustainability. Empirical studies indicate that organisations with equitable gender representation tend to demonstrate broader cognitive diversity and innovative problem-solving capabilities, which are crucial in navigating complex challenges such as variability in donor contributions and funding instability (Eagly & Carli, 2007). The predominance of female respondents in this study may signify an evolving trend toward enhanced gender diversity in leadership roles within the not-for-profit sector in Uganda, shaped by donor imperatives concerning diversity, equity, inclusion, and accessibility (DEIA) principles.

Research on gender representation within the not-for-profit sector reveals a notable trend: women tend to occupy a significant number of leadership positions within organisations that focus on development, social justice, and humanitarian efforts. This pattern is especially pronounced in Uganda, where women's engagement in community development and not-for-profit initiatives has progressively intensified. Within these contexts, women's perspectives often enhance the sustainability of development programs, particularly in areas concerning gender equality, healthcare, and education sectors frequently influenced by fluctuations in donor funding (Mousa & Ayoubi, 2019).

Furthermore, the observation that a slight majority of respondents in this study identify as female could impact organisational strategies for adapting to changes in donor aid. Evidence

indicates that women leaders in the not-for-profit sector frequently adopt more collaborative and inclusive methodologies in their problem-solving approaches. This paradigm is particularly advantageous during financial uncertainty and funding volatility (Hewlett et al., 2013). The leadership styles exhibited by women, which typically prioritise empathy, collaboration, and effective communication, may encourage organisations to pursue partnerships or community-driven solutions in response to shifts in donor aid.

Female-led organisations are increasingly positioned to prioritise gender-sensitive programming and donor engagement strategies that align with global frameworks for gender equality and women's empowerment, notably exemplified by the Sustainable Development Goals. This phenomenon is particularly salient in Uganda, where numerous not-for-profit organisations actively engage in initiatives impacting women and girls across critical domains such as reproductive health, education, and economic empowerment. Insights from female leaders and respondents can illuminate the implications of donor aid fluctuations on these programs and inform strategies for ensuring sustainability.

The gender diversity among respondents underscores the influence of gender dynamics on the formulation of sustainability strategies. Empirical studies indicate that gender-diverse teams achieve superior outcomes in organisational innovation and adaptability—qualities vital for NPOs navigating the complexities of evolving donor priorities (Herring, 2009). By integrating male and female perspectives, the organisations examined in this study will likely gain richer insights, enhancing their capacity to devise comprehensive and actionable sustainability strategies. Organisations with equitable gender representation in leadership are more adept at advocating for gender-sensitive policies within donor frameworks, ensuring their programs remain pertinent and aligned with international development agendas. Such positioning may confer a strategic advantage in securing sustained donor support, particularly as many international funding bodies prioritise gender equality and girls' empowerment in their

funding initiatives. The findings are summarised in the table below.

Table 6
Respondent Gender

Gender of Respondent	Frequency	Percentages
Male	48	47.5%
Female	53	52.5%

Respondent department/Role

The study indicates that the majority of respondents (35.6%) were affiliated with the Program Management and Operations Department, followed by the Human Resource Department (29.7%) and the Administration/Leadership sector (17.8%). A smaller percentage of respondents came from Monitoring and Evaluation (7.9%), Resource Acquisition (5.0%), and Finance (4.0%). This diverse array of departmental representation is integral for evaluating the multifaceted impacts of donor aid fluctuations on various functional areas within Not-for-profit organisations.

The involvement of respondents across different departments is critical for capturing the nuanced ripple effects that shifts in donor funding can have on organisational dynamics. Each department in an NPO has a distinct role that contributes to the overall operational framework, and variations in donor aid can uniquely influence these roles. By collating data from various departments, this study facilitates a more comprehensive analysis of how donor aid changes affect strategic alignment and specific operational methodologies within organisations.

The predominance of respondents from the Program Management and Operations departments underscores the pivotal function these units serve in the everyday operations of NPOs. As the backbone of many not-for-profit organisations, these departments are tasked with implementing the programs and services funded by donors. Consequently, program management teams feel donor aid fluctuations acutely, and may need to curtail or adjust programs in response to funding reductions. Conversely, increases in donor aid can necessitate

program expansion, compelling these departments to swiftly adapt to emerging operational exigencies.

Shifts in donor priorities necessitate that program managers recalibrate projects to align with evolving funding requirements, potentially leading to the development of new impact indicators reflecting donors' current emphases. Thus, program managers are pivotal in translating these shifts in donor aid into actionable grassroots strategies. This is supported by research indicating that program managers frequently operate on the front lines, adapting to external changes in the funding landscape (Lewis & Kanji, 2009).

Additionally, the Human Resource Department's substantial representation in the study, accounting for 29.7% of respondents, underscores its critical function in navigating the complexities of donor aid fluctuations within not-for-profit organisations. Variations in donor funding can drastically impact staffing dynamics, with organisations often compelled to downsize or restructure in response to diminished financial support. Conversely, during funding increases, human resource teams are tasked with enhancing operational capabilities, recruiting additional personnel, and ensuring that staff possess the requisite skills to meet expanded program demands.

Furthermore, the human resource function is essential in ensuring staff alignment with the organisation's strategic responses to donor aid shifts. This alignment may involve retraining staff, managing transitions amidst funding uncertainties, and fostering organisational resilience by cultivating a culture of adaptability and continuous learning (Hendry, 2012). Given that nearly 30% of the study respondents are from human resources, the findings provide critical insights into how NPOs effectively manage human capital in response to external funding changes.

The Administration and Leadership Department comprised 17.8% of the respondents, highlighting organisational leaders' critical role in navigating shifts in donor aid. Senior

leadership is often responsible for setting the organisation's overall strategic direction, and they are key decision-makers when it comes to managing financial uncertainty and developing sustainability strategies. Leaders may need to engage directly with donors to negotiate new funding terms, secure additional resources, or pivot organisational priorities to align with shifting donor interests. Leaders are also tasked with communicating changes in strategy to staff, partners, and other stakeholders, ensuring that the organisation remains cohesive during transition periods. The presence of leadership respondents in this study provides a strategic viewpoint on how donor aid shifts influence high-level decision-making within NPOs. Research suggests strong leadership is essential for organisational resilience, particularly in the not-for-profit sector, where funding environments are often unpredictable (Salamon & Anheier, 1996).

Smaller proportions of respondents in the study were from the Monitoring and Evaluation (M&E) department (7.9%) and the Resource Acquisition department (5.0%). Both of these areas are highly sensitive to donor aid shifts. M&E teams are responsible for tracking program performance and reporting outcomes to donors. When donor aid shifts, these teams may need to adjust their evaluation frameworks to reflect new priorities, metrics, or reporting requirements. Furthermore, donors often require rigorous impact data to justify continued funding, meaning that the M&E function is critical in securing ongoing donor support (Cracknell, 2000).

Resource Acquisition teams tasked with securing funding from various sources are directly impacted by shifts in donor priorities. In periods of donor contraction, these teams may need to diversify funding streams, seeking alternative sources such as private foundations, corporate sponsors, or individual donors. In times of donor expansion, resource acquisition teams might focus on maximising the organisation's capacity to absorb new funds and scale up operations accordingly. Resource acquisition is responsible for upholding funding

prepositioning, external engagements, donor landscape mapping, and donor-responsive capacity statements for the respective NPOs. These are critical functions, and having representation in this study supported access to real-time and accurate information regarding the research phenomenon.

The Finance Department constituted 4% of the survey respondents. While this may seem a modest fraction, finance teams play a pivotal role in maintaining the fiscal integrity of not-for-profit organisations, particularly in the context of fluctuating donor support. Strategic financial planning, meticulous budgeting, and comprehensive income and cash flow projections are vital functions that enable organisations to navigate funding transitions without jeopardising core operations. Finance teams are tasked with resource reallocation, cash flow management, and adherence to donor financial reporting standards. Their importance escalates in scenarios of reduced donor aid, where they are responsible for implementing budgetary adjustments while safeguarding the organisation's financial solvency (Keating et al., 2005). The details are shown in Table 7 below

Table 7
Respondent Department

Respondent Department/Role	Frequency	Percentages
Finance	4	4.0%
Program Management	36	35.6%
Resource Acquisition	5	5.0%
Human Resource	30	29.7%
Administration/Leadership	18	17.8%
Monitoring and Evaluation	8	7.9%

Period of the respondent's stay in the NPO

The study analysed respondents' tenure within their respective organisations to uncover insights into their operational familiarity and ability to adapt to changing donor dynamics.

Among the 101 participants, a significant majority (41.6%) had tenure of 3-5 years, with 24.8% employed for under 2 years. A smaller segment (21.8%) reported 6-11 years of experience, 4% indicated 12-17 years, and 7.9% had over 20 years of service.

This diversity in tenure allows for a multifaceted examination of employee perceptions and reactions to fluctuations in donor funding. The varied experience levels enrich the study, enabling it to integrate perspectives from new employees and those with extensive institutional knowledge. Each cohort provides critical insights into the adaptability of their not-for-profit organisations, especially concerning sustainability strategies in response to changes in donor support.

The largest group, comprised of employees with 3-5 years of experience, is particularly noteworthy. This timeframe typically encompasses enough exposure for individuals to grasp the organisation's operational dynamics, culture, and strategic goals. These employees are positioned to engage actively with evolving donor trends and are likely to offer contemporary insights. Their involvement may include observation of changes in donor funding structures and participation in implementing new adaptive strategies. Therefore, their feedback is instrumental in assessing the efficacy of sustainability initiatives developed in response to recent shifts in donor aid modalities.

Respondents with less than two years of tenure, comprising 24.8% of the sample, are likely to introduce novel perspectives regarding the implications of donor aid fluctuations on organisational dynamics. These networked study employees, particularly those with prior experience from different organisations, may offer valuable insights into their current not-for-profit organisation's positioning within the broader sector. However, their limited historical context could hinder a comprehensive understanding of the long-term impacts of donor aid variability on organisational sustainability strategies. Their feedback is expected to reflect more immediate or recent adaptations in light of funding changes.

Conversely, respondents who have been with their organisations for 6 to 11 years (21.8%) tend to possess a nuanced understanding of the organisation's trajectory, especially regarding its responses to historical shifts in donor aid. This cohort has likely experienced multiple cycles of funding variations, enabling them to contribute significantly to discussions on the long-term effects of these shifts on program sustainability, organisational capacity, and employee retention. Their insights are essential for evaluating the organisation's adaptive capabilities.

A smaller yet notable segment of respondents, those with over 20 years of tenure (7.9%), carries a wealth of institutional knowledge accrued through various phases of donor aid evolution. These veteran employees provide critical perspectives on assessing the organisation's long-term resilience and sustainability strategies. Their experiences may have influenced the organisation's strategic approaches to managing fluctuations in donor support, offering firsthand insights into the not-for-profit's resilience during financial challenges. Existing research highlights that long-tenured employees often act as organisational knowledge and continuity custodians. This makes their input vital for understanding how not-for-profits maintain long-term viability in a fluctuating funding landscape.

Employees with 12-17 years of tenure at their organisations (4%) are uniquely positioned to provide valuable insights regarding organisational adaptations in response to fluctuations in donor aid. These individuals have likely been involved in implementing sustainability strategies over extended periods, enabling them to offer comprehensive feedback on the efficacy of such initiatives.

The diverse lengths of employment among respondents create a robust dataset for analysing how not-for-profit organisations in Uganda navigate changes in donor funding. Those with shorter tenures can illuminate the immediate repercussions of recent funding alterations. At the same time, employees with longer experience contribute a more expansive

view of organisational resilience and adaptive management over time. This blend of perspectives facilitates an evaluation of both short-term and long-term sustainability strategies.

Moreover, respondents' tenure reflects organisational culture and staff retention in the context of fluctuating donor support. For instance, the high turnover rate indicated by the 24.8% of respondents with less than 2 years of service may point to challenges in maintaining staff, potentially driven by uncertainties in funding or restructuring necessitated by changes in donor aid. Conversely, long-term employees within certain NPOs suggest establishing stable and supportive environments, which enable staff retention despite ongoing funding challenges. This rich dataset is instrumental for qualitatively triangulating the strategies employed by organisations that have succeeded in maintaining a mission-critical skill set amid funding volatility.

Analysing respondents' tenure provides critical insights into the adaptability of the nonprofit organisations (NPOs) they represent. Long-term staff members are invaluable for their comprehensive understanding of how shifts in donor funding have influenced the organisation's operations, workforce dynamics, and programmatic strategies over time. Their insights are vital for assessing the enduring effectiveness of sustainability initiatives that NPOs have employed.

Conversely, the study's employees, who may have been recruited in response to shifting donor priorities, can offer perspectives on recent strategic pivots and focus realignments within the organisation. Their viewpoints are essential for understanding contemporary adaptations and the responsiveness of NPOs to evolving funding landscapes.

By examining a diverse range of respondent tenures, the study captures a nuanced view of how NPOs navigate donor aid changes, integrating historical and current perspectives. This dual lens enables a thorough interrogation of organisational adaptability, revealing changes and performance metrics associated with developing and implementing sustainability strategies

over time. The findings are summarised in Table 8 below.

Table 8

Respondent Duration in the organisation

Period of the respondent's stay in the NPO	Frequency	Percentages
Less than 2 years	25	24.8%
3-5 years	42	41.6%
6-8 years	17	16.8%
9-11 years	5	5.0%
12-14 years	3	3.0%
15-17 years	1	1.0%
Over 20 years	8	7.9%

NPO Operational Budget

As illustrated in Figure 1, the analysis indicates a noteworthy disparity in the annual operational budgets among the Not-for-profit Organisations included in this study. Most (39%) of these organisations operate with budgets ranging from 1 to 20 million USD, while a significant subset (21%) manages under 1 million USD. A smaller fraction (12%) operates within the budgetary range of 41 to 60 million USD. Additionally, 9% of NPOs report budgets between 81-100 million USD, and 7% fall into the 21-40 million USD category. Only a marginal segment (3%) indicates annual budgets exceeding 100 million USD or falling within the 61-80 million USD range.

The financial scale of an NPO is pivotal for its capacity to navigate and adapt to variations in donor funding. Organisations with substantial operational budgets, particularly those exceeding 100 million USD, tend to exhibit more diversified funding streams and enhanced financial resilience. Such organisations are often better positioned to study fluctuations in donor aid because of their capability to absorb economic shocks, reallocate resources internally, and secure alternative funding avenues from private donors, grants, or government contracts. Research indicates that larger organisations are more inclined to implement formalised fundraising and sustainability strategies, which are critical for

maintaining operations during periods of financial instability, donor aid volatility (Salamon, 2012). Smaller nonprofit organizations, particularly those operating on budgets under 1 million USD, encounter substantial challenges when there are adverse shifts in donor funding. These entities often depend on a limited number of financial sources, rendering them susceptible to changes in donor priorities. The constraints on financial flexibility may lead to significant repercussions, including disruptions in program execution, workforce reductions, and the cessation of critical initiatives. Consequently, such organisations may be compelled to implement more aggressive fundraising tactics and cost-control measures to navigate periods of diminished funding (Keating & Frumkin, 2003).

In contrast, the financial data from NPOs in this analysis is a crucial indicator of how organisations have adapted to the evolving landscape of donor aid. Entities with larger budgets—comprising 39% of the NPOs with budgets ranging from 1 to 20 million USD—tend to have more sophisticated frameworks for financial sustainability. These often include diversified funding streams, endowment funds, and long-term relational contracts with donors. As such, they are more adept at maintaining operational continuity during downturns in donor support. Additionally, larger NPOs frequently benefit from professional financial management, enhancing their risk mitigation strategies and optimising cash flow management amidst donor uncertainties (Anheier, 2005).

Conversely, smaller organisations may need to prioritise the development of financial resilience by exploring innovative funding mechanisms such as social enterprises, local fundraising initiatives, or cost-sharing collaborations with other entities. Although their reduced scale can constrain economic capacity, it may simultaneously afford them greater operational adaptability, allowing for rapid responses to donor aid changes. This agility can be particularly advantageous for organisations cultivating robust local networks and garnering community support.

The financial trends elucidated in this study are pivotal for comprehending the repercussions of shifts in donor aid on organisational sustainability within the nonprofit sector. Organisations with more substantial operational budgets appear to have established more resilient financial frameworks to absorb reductions in donor support. These frameworks often encompass strategies such as diversifying their donor portfolio, bolstering reserves, or engaging in income-generating ventures.

In contrast, smaller nonprofit organisation may exhibit heightened sensitivity to fluctuations in donor aid, compelling them to adopt short-term survival tactics. These may include stringent operational cost management or focusing on core programs with the most significant potential for attracting donor interest. The financial data retrieved in this investigation indicates that the scale of an NPO's operational budget significantly influences its long-term sustainability strategy. Larger entities tend to engage in strategic planning, emphasising long-term sustainability objectives, whereas smaller entities may prioritise meeting immediate operational requirements.

This divergence in strategic focus will likely shape how each organisation responds to shifts in donor aid, thereby affecting its positioning for future growth trajectories.

Figure 3 below depicts the intricate details of these findings.

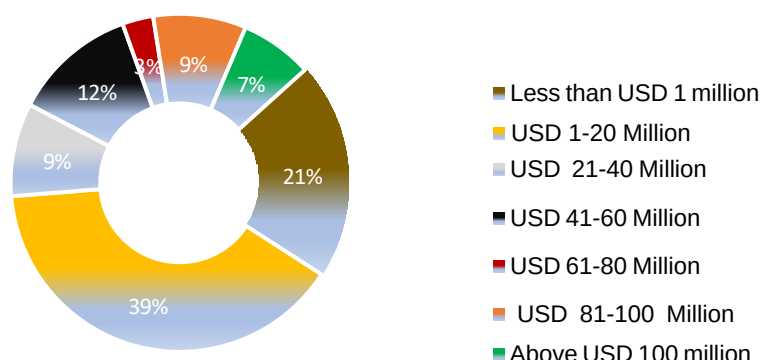
Figure 3*NPO Operational Budget****Programming Area of Focus***

Figure 2 delineates the programming focus areas of the nonprofit organisations participating in this study. The data reveal that a significant majority of NPOs—64.4%—are engaged in Health, Water, Sanitation, and Hygiene (WASH) and Nutrition initiatives. Furthermore, 61.4% of these entities concentrate on Livelihoods, underscoring the critical nature of these sectors within Uganda's nonprofit ecosystem. Other notable focus areas include Education (49.5%), Women's Economic Empowerment (48.5%), and Advocacy (44.6%), all of which contribute significantly to the developmental objectives pursued by NPOs in the region. In contrast, Child Sponsorship programs are undertaken by 20.8% of organisations, while a mere 5% implement a comprehensive approach that encompasses all the aforementioned sectors.

This diverse array of programming focus areas offers valuable insights into the adaptive strategies of NPOs in response to evolving donor aid priorities. The prominence of Health, WASH, and Nutrition within their portfolios suggests a strategic alignment with international funding priorities, particularly in light of the heightened global focus on health and sanitation catalysed by the COVID-19 pandemic and persistent challenges such as water scarcity and malnutrition in developing countries like Uganda. International donors, encompassing bilateral

and multilateral agencies, have increasingly prioritised health-related interventions, especially within low-income nations marked by inadequate public health infrastructure (OECD, 2021). Consequently, the emphasis on health-oriented programming positions these NPOs to align with global funding trends, potentially leading to sustained or enhanced support from donors. The pronounced focus on Livelihoods (61.4%) underscores a commitment to economic empowerment, poverty alleviation, and enhancing community resilience, which are pivotal components of many international donor frameworks. Livelihood initiatives are designed to elevate the financial standing of marginalised groups, thereby decreasing their dependency on aid and enhancing their capacity for self-sustainability. This strategic emphasis aligns with the shifting donor landscape that increasingly prioritises cultivating local capacities and promoting long-term sustainability instead of relying on short-term aid measures and handouts (Riddell, 2008).

The data reveals that specific sectors, particularly Education (49.5%) and Women's Economic Empowerment (48.5%), command considerable attention from Not-for-profit Organisations. These areas are pivotal within various donor funding frameworks, especially in Sub-Saharan Africa, where metrics like educational access and gender parity are vital developmental indicators. However, it is essential to recognise that funding for these sectors is susceptible to fluctuations driven by geopolitical dynamics and the economic health of donor nations. For example, while education remains a foundational focus for many contributors, economic downturns or crises in donor countries can deprioritise educational funding in favour of more pressing needs, such as health interventions or emergency response efforts.

Conversely, Women's Economic Empowerment has gained significant traction in recent years, primarily due to its alignment with the global agenda for gender equality as articulated in the United Nations' Sustainable Development Goals. NPOs operating in this domain may benefit from shifting donor priorities, as numerous funders—including

international foundations and government agencies—have dedicated resources to promote gender equality initiatives (UN Women, 2021). This sustained donor engagement underscores the increasing recognition of Women’s Economic Empowerment as a critical component of development assistance strategies.

Advocacy, representing 44.6% of initiatives, is particularly susceptible to fluctuations in donor priorities, heavily influenced by the prevailing political climate. Advocacy strategies focus on policy reform, human rights, and social justice issues. As such, they may garner significant donor investment or, conversely, face budget contractions contingent on the political leanings of donor entities and governmental bodies. While advocacy is critical for fostering long-term systemic transformation, it carries a perception of political sensitivity, often necessitating support to secure stable funding, especially in regions marked by political turbulence or restrictive governance.

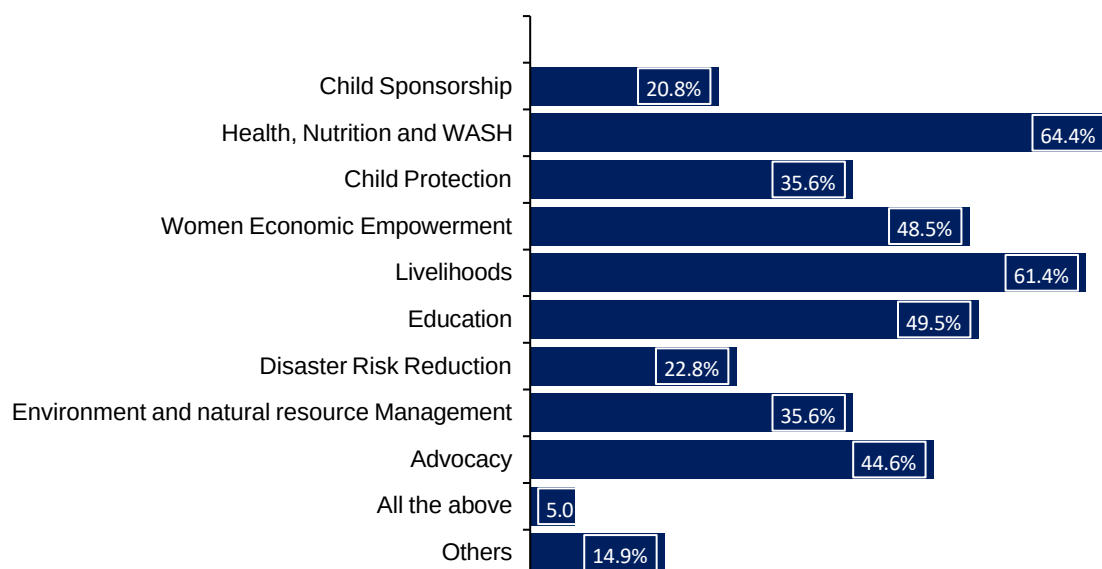
In contrast, the relatively modest engagement of not-for-profit organisations (20.8%) in Child Sponsorship indicates it is a more niche domain within the broader development landscape, including health and livelihoods. Child sponsorship programs, while effective, generally depend on sustained individual contributions rather than substantial institutional funding. This reliance renders them more vulnerable to fluctuations in donor behaviour and economic downturns, potentially leading to declines in financial support.

Moreover, the 5% of organisations that engage in all these programmatic areas represent entities adopting a more integrative approach to development. These organisations benefit from a diversified funding portfolio, enabling them to appeal to a broader spectrum of donor interests across multiple sectors. However, according to the study, this diversification also introduces complexities, as they must effectively navigate the intricacies of aligning various programmatic areas with their diverse donor base's differing requirements and expectations.

The study examined the impact of shifts in the international donor aid landscape on not-for-profit organisations selecting programmatic focus areas. Many NPOs strategically align their priorities with emerging donor trends, particularly the increased emphasis on health systems strengthening in the wake of the pandemic and the rising importance of climate resilience. Organisations that can effectively anticipate these trends and adapt their programming are more likely to secure donor funding and enhance their long-term viability. For example, NPOs that have integrated climate resilience strategies into their livelihoods or health initiatives are positioned to attract funding from donors who prioritise climate action within their development strategies (UNDP, 2020). Further details are provided in Figure 4 below.

Figure 4

NPO Programming Areas



Descriptive statistics for the variables under study

The study employed a dual data collection approach to evaluate each variable under investigation. It delved into the respondents' perceptions concerning the independent variables: modalities of international donor aid, determinants guiding international donor aid allocation,

the effectiveness of international donor aid for recipients, and the dependent variable of sustainability strategies within not-for-profit organisations. Furthermore, the study sought to illuminate the interrelationships among these independent and dependent variables.

This section of the research presents findings congruent with the objectives established at the outset, thereby validating those objectives. It integrates qualitative insights harvested from face-to-face interviews alongside quantitative data summarised through descriptive statistics, including percentage and frequency distributions, to enable meaningful comparisons.

The analysis used a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The report aggregated responses as Strongly Disagree and Disagree into a single "Disagree" category. At the same time, Strongly Agree and Agree responses were consolidated into an "Agree" category for clearer interpretation.

Existence of a Sustainability Strategy and Core Areas of the Strategy

In a survey of not-for-profit organisations in Uganda, 87% of respondents reported having a sustainability strategy in place. This statistic underscores the critical importance of sustainability planning in the sector, particularly in response to evolving donor funding dynamics and the imperative for organisations to ensure long-term viability. The proactive development of sustainability strategies reflects a heightened awareness among NPOs regarding the necessity of financial and operational sustainability in an increasingly volatile funding landscape.

Among those NPOs with established sustainability strategies, 25% indicated that their approach was comprehensive, addressing all core dimensions: operations, finance, organisational identity, and programmatic interventions. This integrated strategy is crucial, as it positions organisations to be financially resilient while effectively maintaining operational integrity and distinct organisational identity over time. A holistic approach enables NPOs to

better navigate fluctuations in donor funding by diversifying revenue streams, enhancing operational efficiencies, and retaining relevance within their communities.

Furthermore, 17% of respondents noted that their strategies concentrated primarily on operational, financial, and programmatic elements, with less emphasis on organisational identity. While such strategies can still lay a solid foundation for sustainability, the lack of a pronounced focus on identity may lead to challenges in maintaining coherence and alignment with organisational missions in light of shifting donor interests. A clear and consistent identity is essential for NPOs as they adapt to changes in the donor landscape, as it helps to ensure that the organisation remains true to its core mission and values, even when adapting to new funding realities. Mission drift within the nonprofit organisation sector presents significant challenges to organisational identity, often creating friction between the study's foundational mandates and donor priorities. This dynamic reflects the principles outlined in resource dependency theory, which underscores the influence of external funding on organisational behaviour.

Only 9% of respondents indicated that their sustainability strategies primarily focus on identity preservation. This underscores that for a minority of organisations, safeguarding their core mission, brand integrity, and organisational culture is the predominant focus within sustainability frameworks. While the imperative for financial and operational sustainability is undeniably critical, these entities prioritise the maintenance of their mission and values, even amidst potential financial adversities. This emphasis on identity is particularly vital for smaller, community-oriented organisations or those engaged in sensitive domains such as advocacy and human rights, where a consistent mission is essential for credibility and effectiveness.

Conversely, 87% of NPOs acknowledged that adopting a sustainability strategy highlights the growing significance of strategic planning in the nonprofit landscape, particularly in light of shifting donor dynamics. Organisations must adapt their strategies to ensure mission continuity while achieving financial viability as donor priorities evolve in

response to economic, political, and global trends. The study defines sustainability strategy as empowering NPOs to adopt a proactive stance, enhancing their ability to secure alternative funding sources, optimise operational efficiency, and cultivate robust relationships with both local and international stakeholders.

A robust sustainability strategy enhances organisational resilience amidst fluctuations in donor funding. Organisations that prioritise diversifying their revenue streams—such as establishing social enterprises, engaging in local fundraising efforts, or forming strategic partnerships—reduce their dependency on any single donor or funding source. This diversification renders them more adaptable to the shifting dynamics of the donor landscape.

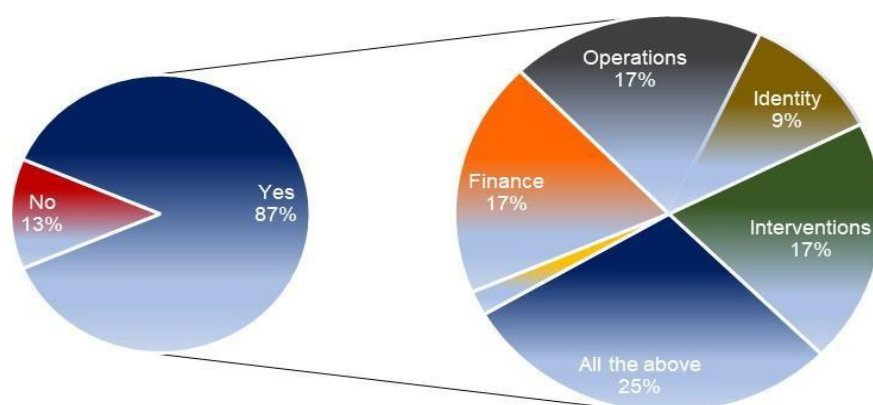
Moreover, organisations that invest in strengthening their internal capabilities, including improved financial management and operational efficiencies, can better navigate periods of funding volatility. Evidence indicates that numerous not-for-profit organisations proactively address vulnerabilities and instability by adopting financial health and operational effectiveness strategies. This often entails focusing on capacity-building, cost minimisation, and exploring alternative revenue avenues. This trend aligns with a growing discourse in the not-for-profit sector regarding the imperative for financial autonomy and sustainability that transcends reliance on external donor funding. Conversely, organisations whose sustainability strategies are predominantly aligned with their identity face the complex challenge of balancing fidelity to their mission and adapting to evolving donor expectations.

These organisations must skillfully navigate the tension between securing necessary funding for operational sustainability and adhering to their foundational values and mission. As donor priorities increasingly pivot towards sectors such as health, education, and women's empowerment, organisations engaged in advocacy or rights-based initiatives may need to identify innovative pathways to align their programs with these emerging donor priorities without diluting their organisational identity. Approximately 13% of nonprofit organisations

lacking a strategic framework may harbour significant risks that jeopardise their sustainability. These organisations often adopt a reactive posture, rendering them ill-equipped to navigate the evolving landscape of the sector. Notably, some national NPOs operate under individual ownership, leading to a failure to prioritise institutional fortification. This phenomenon, often referred to as "owner syndrome," results in a reliance on less sustainable investment approaches. Consequently, such NPOs tend to attract donors, who prefer to engage with organisations that exhibit strategic foresight. Instead, these NPOs frequently resort to individual contributions and sporadic fundraising efforts, which are inherently unsustainable in the long run. The details are below in Figure 5

Figure 5

Existence of a Sustainability Strategy and the Core areas of the strategy



International Donor Aid Modalities and NPOs' Sustainability

This study investigates the impact of different donor aid modalities on Uganda's not-for-profit organisations' sustainability strategies. It evaluates four modalities: project aid, aid localisation, results-based delivery, and the sector-wide approach. The analysis examines these modalities collectively and individually to discern their influence on two dimensions of NPO sustainability: financial and identity.

The study's data was collected via closed-ended questionnaires distributed to a sample of international and national NPOs, supplemented by online interviews with key stakeholders, including NPO leadership. This sequential explanatory mixed-methods approach yielded both quantitative and qualitative insights regarding the relationship between donor aid modalities and NPO sustainability outcomes.

The study conducted descriptive statistical analyses to analyse the influence of these donor aid modalities; this included calculating mean scores for multiple indicators pertinent to project aid, aid localisation, results-based delivery, and SWA. The study also employed Chi-square tests to explore the associations between these modalities and NPO sustainability. Additionally, regression analysis was utilised to identify the specific components of donor aid modalities that have the most pronounced effects on NPOs' sustainability strategies.

The study's findings underscore a growing emphasis among donors on projects that articulate a clear causal pathway of change, meticulously linking inputs, outputs, and outcomes within a structured framework of objectives, budget, and timeline. This is evidenced by a robust mean score of 4.6 for items related to the project aid modality, with 95% of respondents affirming the necessity for a coherent linkage among project components. These results suggest that project aid continues to be a predominant funding modality for international donors, facilitating their ability to assess the impact of investments in a methodical and quantifiable manner. Project aid's inherent predictability and accountability make it an appealing choice for donors and not-for-profit organisations, as it establishes a clear evaluation framework to gauge success and ensure the judicious application of financial resources.

Conversely, the sector-wide approach modality, also called budgetary support, represents a significant segment of donor aid, with an average contribution of 75.7%. This modality entails donors channelling financial resources in alignment with the recipient government's budgetary priorities and expenditure frameworks. Notably, 79.2% of respondents

concurred that donor funding decisions align with recipient governments' fiscal priorities, with a particular focus on pivotal sectors such as poverty alleviation, health, education, and infrastructure development. Furthermore, 72.3% of participants indicated that donors prioritise funding based on the recipient country's governmental priorities, signalling a strong correlation between donor aid and national policy frameworks.

The implications of the sector-wide approach are multifaceted for NPOs, given that government priorities and frameworks significantly shape the funding landscape. This scenario presents both opportunities and challenges: NPOs engaged in sectors congruent with national priorities may enjoy enhanced and stable funding streams, whereas those operating in areas marginalised by government agendas may encounter substantial difficulties in securing financial support, as donor strategies increasingly align with national government priorities.

Aid localisation has emerged as a transformative donor funding modality, characterised by distinct and impactful elements. With an average score of 3.6 and a percentage score averaging 66%, this approach highlights a pronounced shift among donors towards direct funding of local and national organisations, effectively circumventing international intermediaries. Notably, 69.3% of respondents reported that international donors are now channelling aid directly to their organisations without the mediation of intermediary entities. This trend aims to rectify the imbalances and minimise transaction costs. This represents a significant departure from traditional aid frameworks, where international not-for-profit organisations typically functioned as intermediaries between donors and local entities.

The localisation agenda offers both substantial opportunities and complex challenges for national organisations. Direct access to donor funds equips these entities with increased agency over program design and resource allocation. However, this new paradigm imposes heightened expectations on them, necessitating improved capabilities in financial management, reporting, and adherence to donor compliance requirements. The extent to which national

NPOs are prepared to handle direct donor funding is pivotal in assessing their sustainability within this evolving aid environment.

Conversely, international NPOs encounter a multifaceted challenge under the localisation agenda, which diminishes their intermediary role. This compels them to reassess their strategic positioning amidst a shifting donor landscape. As funding increasingly flows directly to local actors, international NPOs may need to redefine their functions, potentially pivoting towards capacity-building initiatives, strategic partnerships, or alternative support mechanisms that do not rely on traditional financial intermediation.

Regarding results-based delivery, this modality elicited the highest level of dissent among respondents, evidenced by a mean score of 3.1. A significant 32.1% of respondents disagreed with the notion that donations are disbursed on a reimbursement basis contingent upon the achievement of specific project milestones. In comparison, 39.6% contested the assertion that international donors provide flexibility in using aid funds to bolster sustainability within their organisations. The findings indicate that while results-based delivery represents an emerging funding modality, its adoption and acceptance among not-for-profit organisations (NPOs) in Uganda remain limited. The modality's inherent rigidity potentially contributes to this constrained uptake. Results-based delivery necessitates that organisations meet predetermined milestones before disbursement of funds, which can pose significant challenges for NPOs functioning in volatile or complex environments where achieving specific outcomes. The exploration of donor aid modalities and their impact on not-for-profit organisations (NPOs) in Uganda reveals significant challenges and opportunities for the sustainability of these entities. One of the key findings is that the rigidity of fund utilisation within the existing frameworks often poses a substantial barrier to NPOs. This inflexibility can hamper their ability to adapt to rapidly changing conditions, contrasting sharply with the need for responsiveness in a dynamic environment. As a result, organisations may find it challenging to prioritise long-

term sustainable strategies, often sacrificing these essential goals in favour of immediate project outputs that may not lead to enduring impacts.

The research highlights the crucial role that various donor aid modalities play in shaping the sustainability strategies employed by NPOs throughout Uganda. Specifically, it discusses the preferential trends donors exhibit towards project-based funding, the localisation of aid, and the implementation of sector-wide approaches. These preferences significantly influence NPOs' strategies for financial viability and maintaining their identity and mission over time.

Specific modalities, particularly project-based aid and sector-wide approaches, tend to provide a more structured and predictable funding landscape. This predictability enables NPOs to plan their activities and allocate resources more effectively. On the other hand, aid localisation presents a complex array of challenges and opportunities. It compels NPOs to rethink their operational strategies as they navigate new dynamics that may arise from the push for more locally driven initiatives.

To thrive amidst these fluctuating donor priorities, NPOs must align their sustainability strategies with the evolving landscape of donor aid modalities. Organisations that develop a strong capacity to navigate the intricacies of localisation, fulfil results-based delivery requirements, and synchronise their efforts with government-led sector-wide approaches will be more advantageous. Doing so will likely enhance their chances of securing consistent funding and sustaining their impactful programming within Uganda over the long term.

The findings presented align and contrast with existing literature in the field. Contemporary research predominantly supports the view that not-for-profit organisations must strategically navigate the evolving donor landscape to secure their long-term viability. For instance, Banks et al. (2015) posit that non-governmental organisations should evolve from passive aid recipients to proactive contributors, aligning their missions with donor expectations

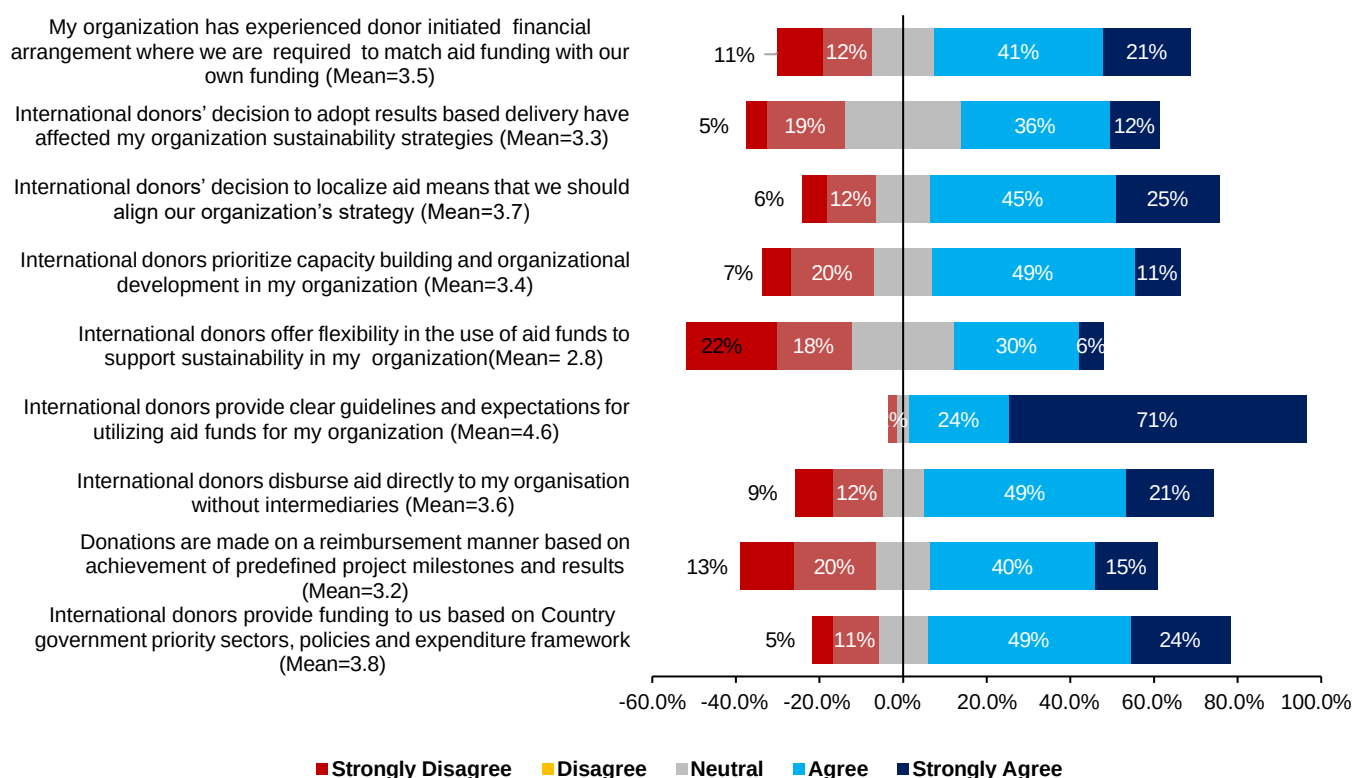
and national development frameworks. They argue that heightened engagement with local ecosystems, adherence to accountability measures, and collaborative efforts with government entities strengthen both legitimacy and the sustainability of funding streams.

Similarly, Pallas and Nguyen (2018) highlight that NGOs adopting results-based management and integrating their practices with government-driven sector initiatives are more successful in garnering reliable donor support, especially from bilateral and multilateral agencies, emphasising coordination and impact assessment.

A study undertaken by Renzaho et al. (2020) supports the findings of this study by illustrating how African NGOs that prioritise localisation traits, such as fostering local leadership and participatory governance, enhance their credibility and access to flexible funding options from donors. This aligns with preceding research that underscores localisation as a crucial strategy for survival amid competitive funding landscapes.

Conversely, certain studies adopt a more cautious approach. Brass (2016) alerts that an over-reliance on government-directed initiatives or donor stipulations may result in mission drift. The research findings contend that while such alignment may yield immediate funding advantages, it risks compromising organisational autonomy and undermining grassroots legitimacy over the long term.

For a visual representation of these findings and how they interconnect, see Figure 6 below.

Figure 6*Summary of Respondent Views on International Aid Modalities*

The qualitative analysis of the quantitative findings indicates a significant evolution in donor aid modalities impacting the sustainability landscape of not-for-profit organisations (NPOs) in Uganda. All key informants engaged—100%—concurred that the localisation of aid and result-based delivery mechanisms has intensified the volatility surrounding sustainability within this sector.

Key informants expressed a consensus that numerous NPOs in Uganda are redefining their sustainability strategies. This includes alterations in registration status, organisational identity, strategic focus, and revamping internal governance structures and overall infrastructure. There is a trend towards greater reliance on project aid and sector-wide initiatives, which donors increasingly leverage to dictate aid distribution to NPOs across Uganda. Consequently, many informants acknowledged the emergence of innovative operational approaches within the NPO sector, characterised by alignment with government

priorities and collaborative engagements with donors. This collaboration often manifests in advocacy efforts to hold the government accountable for its service delivery commitments.

Further qualitative insights on aid localisation reveal a transformative adaptation among NPOs. Prominent strategies include establishing local entities, transitioning existing operations into local structures, forging alliances with local partners, and enhancing legitimacy by shifting from North-centric to South-centric alignment. These transformations in NPO structures—moving from centralised to decentralised models—underscore a significant identity reconfiguration. The evidence suggests that NPOs in Uganda are operating under mounting pressure to align with contemporary donor expectations, thereby enhancing their legitimacy and responding strategically to progressive shifts in the donor aid landscape.

International Donor Aid Allocation Determinants and NPOs' Sustainability Strategies

This section delves into the intricate dynamics between the determinants influencing the allocation of international donor aid and the sustainability strategies employed by not-for-profit Organisations in Uganda. The analysis is structured around three primary constructs: Egoistic/Donor Interest, Altruistic/Recipient Interest, and Governance. Together, these constructs encapsulate the principal factors that dictate the allocation of donor funds.

To facilitate this analysis, a robust dataset was compiled utilising Likert scale responses from a representative sample of NPOs, complemented by qualitative insights from interviews with key sector leaders. This mixed-methods approach enabled triangulation of the findings, yielding a deeper understanding of how the determinants of aid allocation impact the sustainability strategies of NPOs.

The results highlight a pronounced influence of egoistic and altruistic donor interests on the allocation patterns of international aid to NPOs in Uganda. This is evidenced by an overall score of 62.2% and an average response of 3.6 across the related statements within this

construct. Notably, 82.2% of respondents acknowledged the critical role of Uganda's socio-economic factors in guiding donor aid allocation. This indicates that international donors are inclined to prioritise aid to countries like Uganda that showcase specific socio-economic characteristics, including poverty incidence, potential for economic development, and social stability. Such considerations resonate with overarching donor objectives centred on poverty alleviation, economic growth, and social development, aligning with the altruistic motives of many international aid agencies.

A significant 55% of respondents identified trade dynamics between the study area in Uganda and donor nations as a crucial factor influencing donor aid allocation. This underscores a pattern of self-interested donor behaviour, wherein donor countries leverage aid programs to bolster economic ties and interests. Key considerations for these nations include trade relations, market access, and financial partnerships with Uganda, all of which heavily inform their funding decisions. Additionally, 49.5% of participants pointed to Uganda's historical ties with donor nations, suggesting that colonial legacies may shape aid distribution patterns. These historical connections often facilitate preferential treatment in aid allocation, particularly when former colonial powers sustain robust relationships with their erstwhile colonies.

Further analysis indicates that alignment with donor strategies is pivotal for securing funding for Not-for-profit Organisations. An overwhelming 91% of respondents concurred that strategic alignment with donor priorities is essential for obtaining aid. This highlights the necessity for NPOs to strategically position themselves in response to the shifting interests of international donors, whether those priorities pertain to specific sectors such as health, education, or economic empowerment, or broader goals encompassing governance reform and climate action. The high mean score of 4.3 attributed to this statement reinforces the critical nature of strategic alignment in ensuring the long-term viability of NPOs.

The study presents intriguing findings regarding the determinants of donor aid

allocation to not-for-profit organisations in Uganda, specifically highlighting the limited impact of governance factors. Analysed data reveal that governance-related metrics received an overall score of 40.6%, with an average of 3.2 for the rule of law and political-military expenditure indicators. This indicates that governance, frequently referenced as a pivotal element in aid distribution, plays a relatively minor role in shaping donor funding decisions within the Ugandan context.

Despite substantial critiques of the Ugandan governance framework regarding political stability, transparency, and corruption, international donors seem undeterred in their commitment to the nation. This may be attributed to Uganda's strategic significance in promoting regional peace and stability within East Africa. The country's active participation in peacekeeping missions and geopolitical relevance appear to supersede governance concerns, subsequently driving continued donor support for NPOs.

Moreover, the study corroborates the marginal influence of governance on aid allocation by demonstrating the limited effect of recipient need—often correlated with governance quality—on donor decision-making. Traditional indicators such as income per capita, demographic trends, and geopolitical donor interests garnered relatively low mean scores (ranging from 3.2 to 3.6). This suggests that these conventional measures of need are not the primary factors guiding donors' aid allocation strategies for NPOs in Uganda. Instead, the findings imply that donor motivations and strategic alignments are more significant in driving aid decisions.

The study highlights critical factors influencing donor aid allocation, emphasising the vital role of not-for-profit organisation performance metrics and organisational size alongside donor interests and governance structures. An overwhelming 96% of respondents identified an NPO's performance track record as a pivotal determinant of aid distribution, reflected in a significant mean score of 4.5. This underscores NPOs' need to demonstrate historical

effectiveness and accountability to secure ongoing funding from donors. Organisations that successfully illustrate robust project execution, financial transparency, and quantifiable outcomes are better positioned to maintain donor support in a landscape where funders increasingly prioritise the efficacy of their investments.

Furthermore, the analysis revealed that 77% of respondents believe that organisational size significantly affects donor aid distribution, with a mean score of 3.9. Larger NPOs are often perceived as more resilient and resource-rich, which enhances their appeal to donors seeking to maximise their philanthropic impact. These larger entities typically possess advanced financial management systems, comprehensive human resources, and established operational infrastructures, enabling them to manage substantial grants effectively. Nonetheless, smaller organisations can still compete for funding by leveraging niche specialisations or demonstrating operational efficiency in localised contexts where larger counterparts may encounter challenges.

The findings derived from both quantitative analysis and qualitative research reveal that not-for-profit Organisations in Uganda consistently grapple with the intricate relationship between their organisational goals and the expectations imposed by international donors. In response to the competitive funding dynamics, many of these organisations have strategically adjusted their sustainability initiatives to align more closely with donor agendas. This often occurs even when such adjustments potentially compromise their foundational missions or core focus areas.

This complex balancing act is predominantly motivated by the pressing need for financial viability, essential for ongoing operations in an increasingly competitive and donor-driven environment. NPOs recognise that securing consistent funding is beneficial and vital for their survival and ability to enact meaningful change.

Qualitative insights gathered from interviews and focus groups indicate that leaders

within these organisations are acutely aware of the challenges posed by this dilemma. They have implemented a variety of strategies to navigate this tension effectively. For instance, some NPOs have diversified their funding portfolios to reduce dependence on a single donor, thereby increasing their financial resilience. This approach allows them to maintain a broader range of funding sources, mitigating the risks associated with potential funding cuts from any one donor.

On the other hand, other organisations have opted to modify their programmatic offerings to better align with donors' priorities while still striving to remain true to their core missions. They recognise that aligning with donor interests is crucial in formulating sustainability strategies. This alignment requires them to continuously adapt their initiatives and operations to secure funding and protect their organisational identity and long-term objectives.

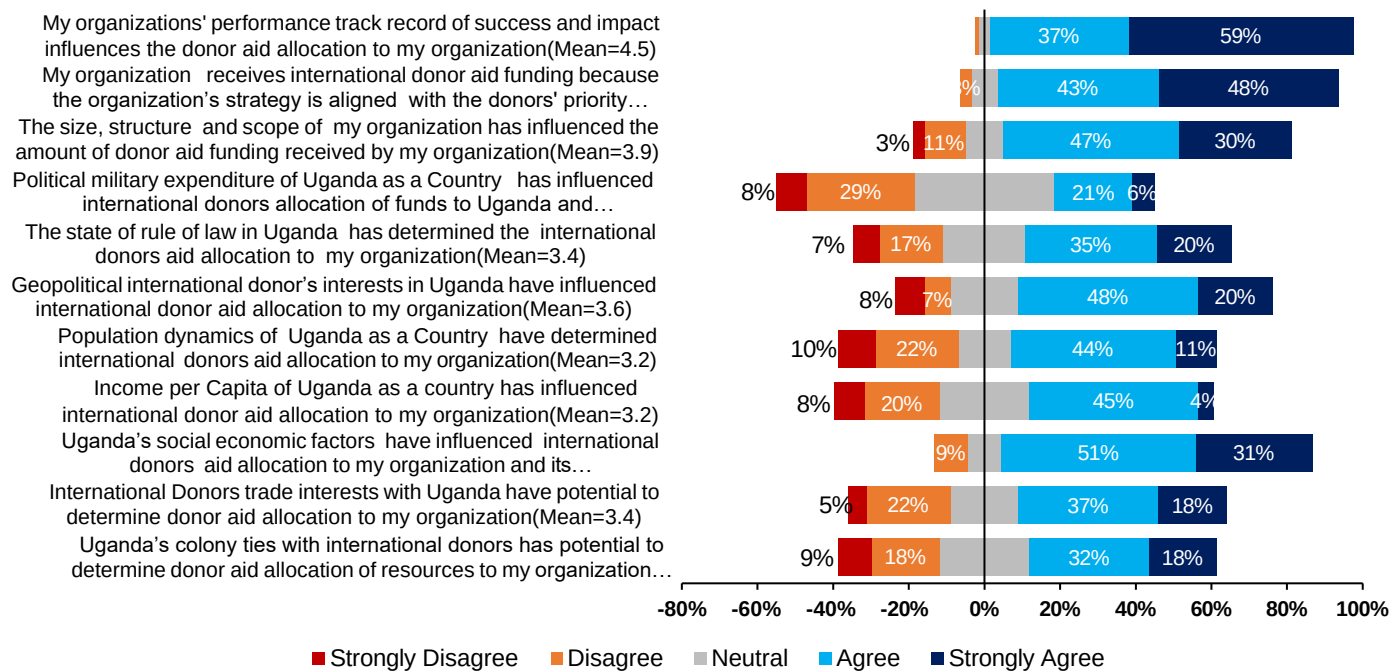
Overall, the imperative to conform to donor interests has emerged as a key driver in shaping the sustainability strategies of NPOs in Uganda. This trend underscores the need for these organisations to engage in a continuous adaptation process, balancing donors' demands with recent research that highlights the significant influence of aligning with donor interests on the sustainability strategies of nonprofit organisations in Uganda. According to the study by Bank et al. (2015), nonprofits are increasingly restructuring their operations and reporting frameworks to conform to donor-defined priorities. While this alignment can enhance access to funding, it often comes at the cost of mission integrity and reduces accountability to grassroots communities. Edwards (2011) warns that the "NGO-isation" of civil society leads organisations to internalise donor expectations, shifting their focus away from transformative and community-driven goals.

Empirical research underscores these concerns. A study by Banya et al. (2020) indicates that local NGOs frequently adopt short-term, project-oriented strategies primarily to meet donor logframes and funding timelines. This approach can result in a fragmentation of their

long-term strategic vision. However, the literature does not uniformly portray non-profit organisations as passive actors in this dynamic. As highlighted by Obadha and Wamai (2022), their findings reveal instances where Ugandan NGOs strategically negotiate donor conditions, establish partnerships that align with their missions, and foster collaboration without compromising their objectives.

Conversely, Brass (2016) warns that excessive adherence to donor demands can jeopardise organisational legitimacy, particularly as donor priorities shift or diverge from community needs. She advocates for a sustainability model that emphasises both financial resilience and mission integrity, highlighting the importance of core funding and enhanced domestic accountability. Collectively, these studies illustrate that while alignment with donor expectations is vital for survival, maintaining a balance between adaptability and mission integrity is crucial for the long-term sustainability of Uganda's NPO sector.

The implications of these findings are visually represented in Figure 7 below.

Figure 7*Summary of Respondent Views on International Donor Aid Allocation Determinants****International Donor Aid-Recipient Effectiveness and NPOs Sustainability******Strategies***

The third objective of this study was to analyse the relationship between the effectiveness of international donor aid recipients and the sustainability strategies employed by Not-for-profit Organisations in Uganda. In this context, "aid-recipient effectiveness" refers to the capacity of NPOs to manage, utilise, and report on donor resources in ways that yield the intended outcomes. This relationship was examined in several key subconstructs, including value for money, accountability, and compliance. A robust analysis was conducted using descriptive statistics and correlation and regression techniques to elucidate the influences of these factors on the sustainability of NPOs.

The findings underscore the pivotal importance of accountability as a determinant of donor aid recipient effectiveness. Our data identified accountability as a primary factor influencing NPOs' management of donor resources, evidenced by a cumulative score of 94.3%

and an aggregate mean score of 4.5 across four statements relating to this subconstruct. Notably, employee accountability emerged as a critical element, with 96% of respondents acknowledging its substantial impact on enhancing organisational aid effectiveness (Mean = 4.6). This highlights that fostering a culture of accountability within the workforce is essential for NPOs to uphold robust donor relationships and secure ongoing financial support.

The timely execution and reporting of donor-funded projects are essential for maintaining donor trust and ensuring a steady flow of funding. A significant 95% of respondents affirmed that timely reporting is crucial for aid effectiveness, evidenced by a mean score of 4.5. Furthermore, effective financial resource management and clean audit reports are critical factors, with 89.1% of respondents highlighting the importance of audit integrity, reflected by a mean score of 4.3.

Additionally, robust systems for monitoring and evaluating donor-funded initiatives play a vital role in ensuring that funds are allocated in alignment with donor expectations. An overwhelming 97% of respondents recognised this significance, yielding a mean score of 4.5. These insights emphasise the imperative for strong accountability mechanisms within not-for-profit organisations to bolster their sustainability and effectiveness in managing donor aid.

Moreover, adherence to donor guidelines emerged as another pivotal element influencing the sustainability strategies of NPOs. Compliance encompasses how NPOs follow donor policies, expectations, and regulations for fund utilisation, project implementation, and resource management. An impressive 89.1% of respondents acknowledged that compliance issues significantly impact resource acquisition for NPOs, with an average rating of 4.4 across two critical statements.

An overwhelming 81.2% of respondents highlighted the critical importance of protecting project assets, while an even more significant 97% underscored the necessity of adhering to donor implementation guidelines. This intense focus on compliance indicates

donors' need for assurance regarding effectively utilising their financial contributions in alignment with pre-established agreements. Adhering to donor compliance standards ensures that not-for-profit organisations maintain transparency and meet donor expectations, which are vital for the sustainability of their operations. Non-compliance can jeopardise future funding opportunities, positioning compliance as an essential element of a comprehensive sustainability strategy for NPOs.

The study also revealed that demonstrating value for money is a pivotal factor influencing donor funding decisions. A noteworthy 88.8% of respondents concurred that proving value for money significantly affects donor support, registering an average score of 4.3 across three evaluative statements. Among these, the capacity to provide empirical evidence of impact and the achievement of program objectives emerged as the most critical factor, yielding a mean score of 4.6. This underscores the necessity for NPOs to deliver measurable services and substantiate their claims of making a tangible difference in the lives of their beneficiaries.

The study revealed that 88.8% of respondents identified the ability to demonstrate a return on investment (ROI) for donor funds as a crucial factor, yielding a mean score of 3.9. While the concept of financial ROI is traditionally linked to for-profit entities, there is a growing expectation among donors in the not-for-profit sector for organisations to utilise resources to achieve measurable outcomes effectively. Furthermore, the effective management of donor funds received a notably high mean score of 4.5, underscoring the critical role of financial stewardship in fostering robust donor relationships.

Establishing value for money is paramount for securing initial funding and ensuring the sustainability of donor partnerships. Not-for-profit organisations that can demonstrate verified program success, cost-effectiveness, and favourable outcomes are positioned favorably for ongoing donor support. This emphasis on quantifiable results is consistent with a broader trend

among international donors, who increasingly prioritise initiatives that yield tangible, enduring impacts.

Additionally, qualitative data from the study indicated a shift in donor expectations concerning aid localisation, which appears to have relaxed effectiveness criteria for certain local NPOs. Respondents observed that donors have become more amenable to adjusting their expectations for local organisations, granting them increased latitude to manage funds and execute projects under localised contexts and realities. This strategic shift aims to bolster the organic development of local and national not-for-profit organisations by affording them the latitude to cultivate their internal structures and capacities without excessive compliance mandates. Such a relaxation of regulatory frameworks may be perceived as a deliberate initiative by donors to empower local organisations, thereby diminishing dependence on international intermediaries—a central objective of the aid localisation agenda. By granting local NPOs increased autonomy over donor fund management, donors aspire to promote enhanced sustainability and self-reliance within these entities.

However, this transition is not without its complexities. Local NPOs are now tasked with demonstrating elevated financial management, accountability, and reporting capacities, even without stringent donor supervision.

Qualitative data underscores the preeminence of safeguarding and compliance as paramount donor concerns. This trend significantly echoes the growing global demand for humanitarian workers to prioritise protection and respectful treatment for beneficiaries. Evidence suggests a troubling prevalence of sexual harassment within humanitarian environments, compelling NPOs to devise robust processes and policies that reflect a zero-tolerance stance toward corruption and violations of both organisational and globally established codes of conduct.

Additionally, qualitative findings indicate that NPOs are mandated to implement

comprehensive child and adult safeguarding protocols. These measures are crucial to ensuring that personnel and affiliates adhere to practices that safeguard all children and adults in areas where the NPO operates, thus preventing sexual exploitation and abuse and mitigating unintentional harm to the communities they serve. Non-compliance with internationally recognized safeguarding protocols can result in severe donor penalties, including funding termination and the potential blacklisting of violative NPOs from future donor engagements.

The literature strongly supports the notion that accountability—particularly at the employee level—significantly enhances the effectiveness of donor aid recipients among nonprofit organisations. Donor aid recipient effectiveness refers to how well organisations use aid efficiently and transparently to align with donor expectations and intended developmental outcomes (OECD, 2019). An increasing body of research recognises accountability as a crucial mechanism for achieving this effectiveness, especially in contexts marked by performance-based funding and scrutiny (Ebrahim, 2005; Mawdsley et al., 2017).

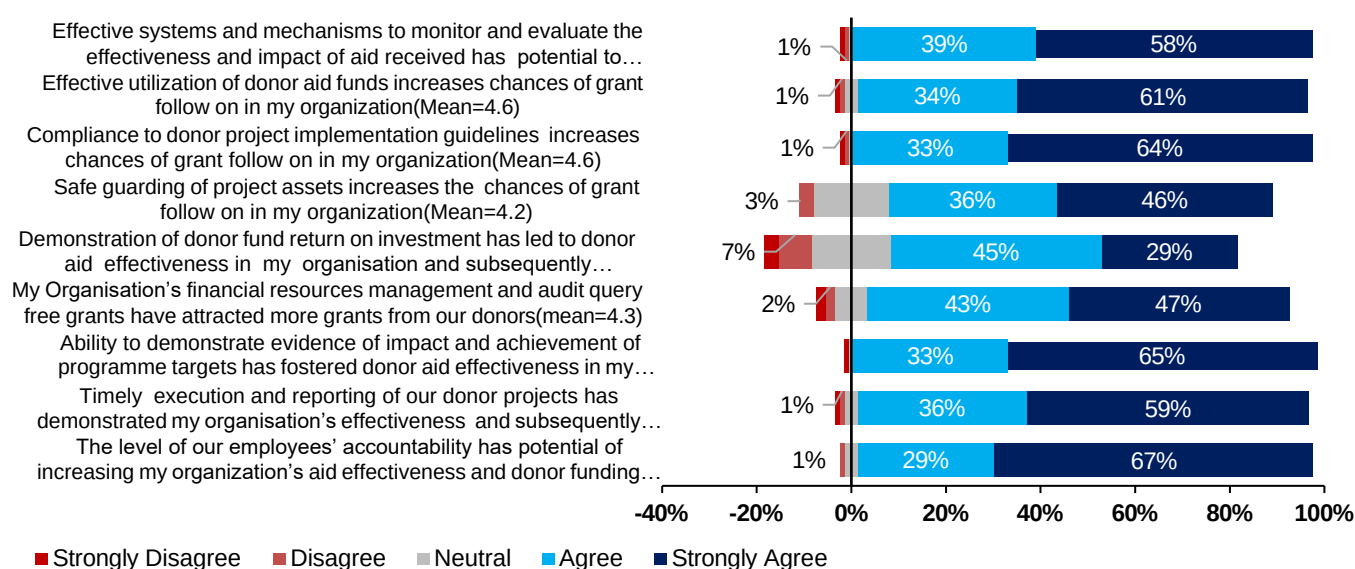
At the organisational level, accountability systems promote the responsible use of donor funds, foster learning, and enhance service delivery—all vital for maintaining donor confidence and ensuring long-term partnerships (Christensen & Ebrahim, 2006). This finding aligns with Renz (2018), who claims that internal accountability practices—including performance monitoring, ethical standards, and responsiveness—are key drivers of effective aid utilisation. Emphasising employee accountability reinforces this view, as frontline staff directly implement donor-funded programs and ensure adherence to funding conditions. When staff-level accountability is weak, misalignments can occur between organisational goals and donor expectations, jeopardising programmatic success and funding continuity (Van Zyl & Claeyé, 2019).

Moreover, in low-resource settings like Uganda, where competition for donor funding is intense, NPOs that demonstrate measurable accountability tend to be more effective aid

recipients. Wamai (2020) presents empirical evidence from Kenya indicating that local organisations possessing well-defined accountability frameworks—characterised by transparent financial systems, regular staff performance audits, and participatory reporting mechanisms—exhibit enhanced donor retention rates and demonstrate superior programmatic outcomes. These practices enhance organisational legitimacy and facilitate strategic alignment with donor goals, improving aid effectiveness. Conversely, a failure to institutionalise accountability can lead to weakened donor-recipient organisations that establish accountability, particularly at the operational level, are much more likely to meet donor performance standards and maintain ongoing financial support. This convergence highlights the potential consequences of failing to do so, including damage to relationships, reputational harm, and eventual exclusion from funding opportunities (Mawdsley et al., 2017).

Figure 8

Summary of Respondent Views on International Donor-Aid Recipient Effectiveness



NPO Sustainability Strategies

The study's findings indicate that Uganda's not-for-profit organisations prioritise financial sustainability over identity sustainability, highlighting an urgent need for continuous funding amid a dynamic donor landscape. As depicted in Figure 8, 73.3% of participants

concurred with the five key statements regarding financial sustainability strategies. This emphasis on financial sustainability indicates the strategic adaptations NPOs are undertaking in response to fluctuations in donor aid and the intensifying competition for limited resources.

A prominent strategy identified by 62.4% of respondents involves leveraging organisational assets to create mission-driven service packages to generate funding through membership fees. This approach aligns with NPOs diversifying revenue streams by utilising internal resources to deliver value-added services to their members. By developing comprehensive service offerings that resonate with their core mission, NPOs can generate income from their membership base, thereby diminishing their dependency on external donor funding.

Additionally, 70.3% of respondents recognised that aligning their project funding requirements with donor priorities is a vital strategy for achieving financial sustainability. This finding stresses the importance for NPOs to remain attuned to donors' evolving interests and priorities, especially as international aid becomes increasingly targeted and outcome-oriented. Organisations that adeptly align their projects with donor expectations are more likely to secure funding and ensure long-term financial viability.

A prominent strategy identified by 92.1% of respondents is leveraging partnerships with the private sector through corporate social responsibility (CSR) initiatives. This overwhelming consensus underscores the growing awareness among nonprofit organisations (NPOs) regarding the potential of private sector collaboration to enhance resource mobilisation. By engaging in CSR partnerships, NPOs can access a range of private sector resources—from financial support to expertise and extensive networks—while amplifying their mission and social impact. These alliances are recognised as mutually advantageous, enabling corporations to bolster their brand image while contributing to significant social causes.

In addition to CSR initiatives, 74.3% of respondents emphasised the importance of entering into joint contractual fee-for-service partnerships with both public and private entities as a critical sustainability strategy. Such collaborations afford NPOs opportunities to generate revenue through service delivery, consultancy, and other contractual agreements, thereby diversifying their income streams. This trend indicates a pivot within the NPO sector towards more entrepreneurial sustainability approaches, where organisations proactively seek avenues to deliver value in exchange for financial compensation.

Moreover, 67.3% of respondents concurred that diversifying profit-generating strategies is crucial for achieving long-term economic viability and sustainability. This entails exploring innovative income-generating activities beyond the traditional reliance on donor funding, including investments in social enterprises and the establishment of commercial ventures aligned with the organisation's mission. The average mean score of 3.9 across these financial sustainability strategies reflects a robust consensus among NPOs that diversifying funding sources is essential for survival in an increasingly competitive funding landscape.

The study highlights financial sustainability as a dominant concern among not-for-profit organisations (NPOs). However, it also underscores a strong commitment to identity sustainability, where organisations strive to remain aligned with their core mission and vision amidst pressures from a donor-driven ecosystem. Notably, 61.9% of respondents affirmed their dedication to identity sustainability, illustrating the inherent tension between financial viability and mission integrity.

A striking 96% of participants acknowledged the necessity of balancing resource generation with maintaining the quality and quantity of services delivered to their primary beneficiaries (Mean = 4.4). This finding encapsulates NPOs' challenges in navigating the dual imperatives of economic sustainability and mission fulfilment. While funding acquisition is crucial, organisations understand that sustainable success hinges on their ability to remain

steadfast in their core mission and to provide high-calibre services to their communities.

In terms of income diversification strategies, 67.3% of respondents expressed support for initiatives that not only yield revenue but also enhance awareness of the organisation's objectives and mission (Mean = 3.8). This approach demonstrates an integrative strategy where fundraising is intertwined with mission-oriented activities, including the sale of branded merchandise and the provision of services that advance their cause. Such dual-purpose efforts allow NPOs to generate both financial resources and socio-political visibility, thereby reinforcing their sustainability while staying true to their identity.

Conversely, the study found that a significant majority (58.4%) of respondents disagreed that organisations should divert focus from their core mission to align with fluctuating donor priorities as a sustainability tactic. This dissent indicates that, while NPOs recognise the necessity of adapting to evolving trends in donor funding, many remain resolute in not compromising their foundational mission to secure financial support. The results reflect a profound commitment among NPOs to uphold their core values and resist mission drift, even in the face of financial adversity.

The qualitative data collected from respondents corroborates the existing tensions between shifts in donor aid and the sustainability of nonprofit organisations (NPOs). Many respondents articulated concerns regarding the volatility inherent in the donor aid landscape, emphasising that frequent alterations in donor priorities and funding mechanisms compel NPOs to recalibrate their strategic approaches continually. While some organisations have adeptly manoeuvred through these fluctuations by diversifying their revenue streams and establishing new collaborative partnerships, others have struggled to achieve sustainability amidst these disruptions.

There is a prevailing consensus among respondents that the sustainability of NPOs in Uganda is precarious, with organisations operating in an environment characterised by constant

shifts. The unpredictable dynamics of donor funding and heightened competition for limited resources have engendered a landscape in which NPOs are mandated to innovate incessantly and explore new avenues for achieving financial and operational resilience. The findings of this study indicate that NPOs must embrace more strategic and diversified methodologies to sustainability, ensuring a balanced approach between securing financial resources and upholding their foundational mission and vision.

The sustainability of not-for-profit organisations in Uganda remains fragile due to changing donor dynamics and increased resource competition. This situation reflects a growing agreement among scholars in contemporary development literature. Numerous studies highlight that NPOs across Sub-Saharan Africa operate within an increasingly unstable aid environment characterised by diminishing support from traditional donors, inflexible funding mechanisms, and heightened competition. As a result, these organisations must continually reinvent their sustainability strategies (Banks et al., 2015; Mawdsley et al., 2017). This environment requires not only operational flexibility but also strategic diversification to balance financial resilience with their core missions.

Recent studies support this viewpoint. For example, Arhin (2016) found that Ghanaian NGOs must adapt their funding models in response to declining donor support by exploring social enterprises, private sector partnerships, and income diversification. Similarly, Lewis and Kanji (2009) contend that NPOs are increasingly expected to operate as hybrid entities, blending public service delivery with market-driven strategies to remain sustainable in uncertain conditions. This aligns with the current study's argument for more strategic and diversified approaches to sustainability, where innovation becomes essential rather than optional.

From a Ugandan perspective, Banya et al. (2020) note that many NPOs are shifting from donor-dependent models to self-financing mechanisms such as fee-for-service programs, consultancy, or commercial activities that align with their mission. However, these innovations can create tension: as organisations diversify their funding sources and professionalise their operations, they risk drifting away from their mission or alienating their core constituents (Brass, 2016; Edwards, 2011). As the original finding emphasises, achieving a balance between financial stability and mission integrity

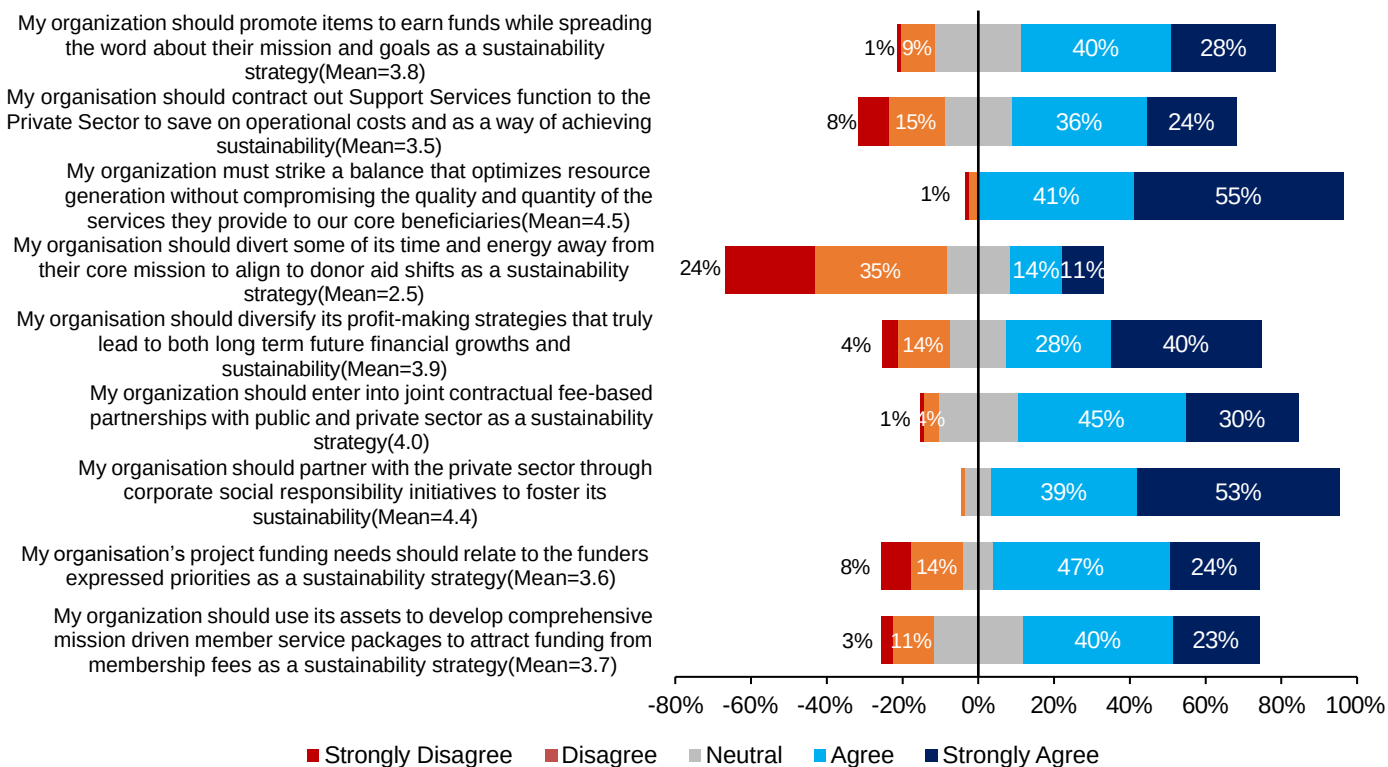
remains a significant challenge.

Additionally, donor unpredictability is a structural factor influencing sustainability. Scholars like Renz (2018) and Fowler (2016) argue that many aid systems emphasise short-term, results-based funding models, pushing NPOs toward reactive behaviour rather than long-term planning. In such environments, only those organisations that cultivate adaptive capacity, strategic clarity, and robust internal financial planning systems will likely survive. Therefore, the emphasis on continuous innovation and long-term strategy, as highlighted in the study, is timely and well-supported by empirical research.

The results are visualised in Figure 9 below.

Figure 9

Summary of Respondent View on NPO Sustainability Strategies



Verification of the Study Hypotheses.

The study utilised ordinal logistic regression to evaluate the proposed hypotheses, a method particularly suited for examining the relationships between an ordinal dependent

variable and multiple independent predictors. The dependent variable under investigation was NPO sustainability strategies, which are represented as ordinal variables. In contrast, the independent variables were derived by averaging the mean scores of various subconstructs corresponding to each primary dimension related to shifts in international donor aid.

The analysis aimed to assess the impact of these shifts in international donor aid on NPO sustainability strategies by testing three null hypotheses:

1. Null Hypothesis (H_{01}): International Donor Aid Modalities do not influence NPO sustainability strategies.
2. Null Hypothesis (H_{02}): The determinants governing international donor aid allocation do not affect the sustainability strategies of not-for-profit organisations.
3. Null Hypothesis (H_{03}): The effectiveness of International Donor Aid recipients does not determine the sustainability strategies of Not-for-Profit Organisations.

To test each hypothesis, the study calculated the mean scores for each question related to the independent variables—International Donor Aid Modalities, Donor Aid Allocation Determinants, and Donor Aid-Recipient Effectiveness—to create composite scores. The ordinal nature of the dependent variable, NPO sustainability strategies, indicates varying degrees of focus and implementation of sustainability measures across different organisations.

The ordinal logistic regression model was then employed to estimate the coefficients for the independent variables, thereby revealing whether the shifts in donor aid had a statistically significant impact on NPO sustainability strategies. The ordinal logistic regression analysis results are detailed in the subsequent table.

Table 9
Model Fitting Information

Omnibus Test ^a			
Likelihood Ratio Chi-Square		df	Sig.
21.179		3	.000
Dependent Variable: NPO_sustainability_strategies			
Model: (Threshold), Int_Donor_Aid_Modalities, Int_Donor_Aid_Allocation_determinants, Int_Donor_Aid_Recipient_effectiveness			
a. Compares the fitted model against the thresholds-only model.			

Table 10
Goodness of Fit

	Value	df	Value/df
Deviance	555.094	2197	.253
Scaled Deviance	555.094	2197	
Pearson Chi-Square	2471.584	2197	1.125
Scaled Pearson Chi-Square	2471.584	2197	
Log Likelihood	-277.547		
Akaike's Information Criterion (AIC)	605.094		
Finite Sample Corrected AIC (AICC)	622.427		
Bayesian Information Criterion (BIC)	670.472		
Consistent AIC (CAIC)	695.472		
Dependent Variable: NPO_sustainability_strategies			
Model: (Threshold), Int_Donor_Aid_Modalities, Int_Donor_Aid_Allocation_determinants, Int_Donor_Aid_Recipient_effectiveness			
a. Information criteria are in small-is-better form.			
b. The full log-likelihood function is displayed and used to compute information criteria.			

Table 11
Pseudo R-square

Cox and Snell	.597
Nagelkerke	.599
McFadden	.159

Table 12
Parameter Estimates

Parameter	B	Std. Error	95% Wald Confidence Interval	Hypothesis Test	Exp)	95% Wald Confidence Interval for Exp(B)				
			Lothe stud yr	Upp er	Wald Chi-Square	d Sig .	Lothe stud yr	Upp er		
Int_Donor_Aid_Modalities	1.304	.4304	.460	2.147	9.176	1	.002	3.683	1.584	8.562
Int_Donor_Aid_Alocation_determinants	.780	.4067	-.017	1.577	3.679	1	.055	2.182	.983	4.841
Int_Donor_Aid_Recipient_effectiveness	-.207	.4180	-1.027	.612	.246	1	.620	.813	.358	1.844
(Scale)	1 ^a									
Dependent Variable: NPO_sustainability_strategies										
Model: (Threshold), Int_Donor_Aid_Modalities, Int_Donor_Aid_Alocation_determinants, Int_Donor_Aid_Recipient_effectiveness										
a. Fixed at the displayed value.										

Table 13
Parameter Estimates for Sub-Variables

Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lothe studyr	Upper	Wald Chi- Square	df	Sig.
Project_Aid_pooling_of_funds	-.095	.3553	-.791	.602	.071	1	.790
Results_based_delivery	.512	.2681	-.014	1.037	3.645	1	.056
Budget_Support	.347	.2664	-.175	.869	1.694	1	.193
Aid_Localization	.257	.2774	-.287	.800	.856	1	.355
Donor_Interest	.631	.2841	.074	1.187	4.929	1	.026
Recipient_need	-.210	.2779	-.755	.335	.570	1	.450
Governance	.483	.3900	-.282	1.247	1.533	1	.216
Accountability	-.222	.5767	-1.352	.908	.148	1	.700
Value_for_money	-.371	.5463	-1.442	.700	.461	1	.497
Donor_Compliance_issues	.413	.4207	-.411	1.238	.965	1	.326

(Scale)

1^a

Dependent Variable: NPO_sustainability_strategies

Model: (Threshold), Project_Aid_pooling_of_funds, Results_based_delivery,
 Budget_Support, Aid_Localization, Donor_Interest, Recipient_need, Governance,
Accountability, Value for money, Donor Compliance issues

a. Fixed at the displayed value.

Results interpretation

Model fitting information: The results presented in Table 9 demonstrate a statistically significant distinction between and the baseline and final models, indicated by a P-value of 0.000, which is the study level below the conventional alpha level of 0.05 at the 95% confidence interval. These findings highlight that the final model, incorporating relevant independent variables, exhibits a notably superior fit compared to the baseline model, which is limited to the intercept.

The P-value of 0.000 signals a strong statistical association between the model and the independent variables, namely International Donor Aid Modalities, Donor Aid Allocation Determinants, and International Donor Aid-Recipient Effectiveness. This significance reinforces the model's capacity to elucidate the dynamic relationships between these predictors and the dependent variable: Not-for-profit Organisation Sustainability Strategies. The inclusion of the independent variables in the final model accounts for a considerable portion of the variability in the sustainability strategies implemented by NPOs, underscoring the importance of these factors in understanding organisational effectiveness in the context of donor aid.

Goodness of fit: The findings presented in Table 10 affirm that the model utilised in this study exhibits a robust fit. This assessment is supported by a P-value of 0.253, which surpasses the conventional threshold of 0.05 at the 95% confidence level. The goodness-of-fit test determines whether the model adequately captures the variability inherent in the observed data. The null hypothesis posits that no significant discrepancy exists between the study's

observed and expected values as the fitted model dictates. Given that the P-value exceeds 0.05, the study fails to reject the null hypothesis, indicating a strong fit between the study and the data and the model.

This outcome corroborates that the model effectively encapsulates the relationships among the independent variables—International Donor Aid Modalities, Donor Aid Allocation Determinants, and Donor Aid-Recipient Effectiveness—and the dependent variable, NPO Sustainability Strategies. The goodness-of-fit test results reinforce the model's validity as an accurate representation of the interrelations among the examined variables. Furthermore, the strong alignment between the observed data and the model enhances the reliability of the conclusions drawn from the regression analysis. This suggests that the model serves as a valuable tool for deriving insights into how variations in donor aid impact the sustainability strategies of not-for-profit organisations in Uganda.

Coefficient of determination.

The coefficient of determination, denoted as R^2 , quantifies the extent to which the independent variables in a regression model account for the variation in the dependent variable. As shown in Table 11, approximately 59.9% of the variability in NPO sustainability strategies can be attributed to the independent variables: International Donor Aid Modalities, International Donor Aid Allocation Determinants, and International Donor Aid-Recipient Effectiveness. This R^2 value signifies that the model captures a considerable share of the variability in NPO sustainability strategies. Specifically, it suggests that nearly two-thirds of the observed variability in sustainability strategies across NPOs correlates with fluctuations or differences in the aforementioned factors.

However, it is important to note that the model does not explain the remaining 40.1% of the variance in NPO sustainability strategies. This unexplained variance may stem from

various internal and external factors, including organisational characteristics, localised economic conditions, or broader environmental influences that affect the sustainability strategies adopted by NPOs.

Parameter Estimates

Null Hypothesis 1: International Donor Aid Modalities do not affect NPO sustainability strategies

The analysis presented in Table 10 provides critical insights into the influence of international donor aid modalities on the sustainability strategies of not-for-profit organisations. Specifically, the data indicate that a one-unit increase in international donor aid modalities corresponds to an increase of 1.304 units in NPO sustainability strategies. This correlation suggests a robust positive impact of these modalities on the formulation and implementation of sustainability approaches by NPOs.

However, a one-unit increase in the pooling of funds or project aid results in a negligible reduction of 0.095 in NPO sustainability strategies. This finding, while negative, lacks statistical significance, indicating that this modality does not exert a meaningful influence on NPO sustainability strategies. This suggests that relying solely on project-based aid may be insufficient for advancing the long-term sustainability objectives of these organisations.

In contrast, a unit increase in results-based delivery is associated with a 0.512 unit increase in NPO sustainability strategies. This significant and positive relationship highlights that when donors emphasise results and tie aid disbursements to quantifiable outcomes, NPOs are more inclined to implement effective sustainability strategies. This may be attributed to the results-oriented focus, which encourages NPOs to optimise their resource management practices strategically and efficiently.

A unit increase in budget support is associated with a 0.37 increase in implementing

sustainability strategies by not-for-profit organisations. This indicates that budget support—a funding mechanism where donors allocate resources to be managed within the recipient organisation's budget—enhances NPOs' operational sustainability. By providing greater flexibility and autonomy, budget support enables NPOs to engage in comprehensive long-term planning and execution of sustainability initiatives.

Similarly, a unit increase in aid localisation correlates with a 0.257 increase in NPO sustainability strategies. This underscores the effectiveness of localised aid, which disperses funds directly to local NPOs without intermediary involvement. By reducing transaction costs and fostering a closer alignment between donors and local implementing organisations, aid localisation enhances the capacity of NPOs to sustain their operations effectively.

Null Hypothesis 2: International Donor Aid Allocation determinants do not affect NPO sustainability strategies

The findings of this study demonstrate that the determinants of International Donor Aid Allocation play a significant role in shaping the sustainability strategies of Not-for-profit Organisations (NPOs). Specifically, an increase of one unit in these donor aid allocation determinants corresponds to a 0.780 increase in the effectiveness of NPO sustainability strategies. This underscores the critical influence that these determinants have on how NPOs formulate and implement their sustainability frameworks.

Moreover, donor interest exhibits a substantial correlation, with a unit increase leading to a 0.631 enhancement in sustainability strategies. This highlights the importance of aligning donor priorities with NPO operations; when donor objectives resonate with the strategic goals or commercial interests, NPOs are incentivised to adapt their sustainability approaches accordingly.

Additionally, governance factors significantly affect NPO sustainability, showing a

0.483 increase with improved governance. This indicates that donors prioritise organisations exhibiting strong governance structures, as effective governance fosters transparency and accountability. These essential components build donor trust and subsequently contribute to more sustainable outcomes for NPOs.

In contrast, an increase of one unit in recipient need correlates with a 0.210 decrease in the robustness of NPO sustainability strategies. This negative association suggests that while the urgency of addressing recipient needs is essential for aid allocation, it does not necessarily strengthen long-term sustainability initiatives. Focusing on immediate needs may inadvertently divert resources and attention away from strategic long-term planning, hindering the organisation's overall sustainability.

Null Hypothesis 3: International donor-recipient effectiveness does not affect NPO sustainability strategies

The findings of the study reveal a nuanced and somewhat paradoxical relationship between the effectiveness of international donor aid to recipients and the sustainability strategies employed by not-for-profit organisations. Specifically, the data indicates that for every unit increase in donor aid-recipient effectiveness, there is a corresponding decline of 0.207 in the sustainability strategies of NPOs. This suggests a negative correlation, raising concerns about how enhanced aid effectiveness may inadvertently undermine long-term sustainability initiatives within these organisations.

Moreover, the analysis shows that a unit increase in accountability corresponds with a 0.222 decrease in NPO sustainability strategies. This inverse relationship implies that a heightened focus on accountability could misallocate NPO resources towards compliance and reporting obligations, detracting from the strategic planning and long-term initiatives essential for sustainability. While accountability remains critical for cultivating donor confidence, it may

impose excessive administrative burdens that detract from sustainability-focused efforts.

Additionally, a unit increase in the emphasis on value for money results in a 0.371 reduction in sustainability strategies. This underscores the potential pitfalls of prioritising cost-effectiveness and operational efficiency, which may compel NPOs to concentrate on achieving short-term results at the expense of developing robust, sustainable operational frameworks. Focusing on donor expectations regarding efficient resource allocation could significantly hinder NPOs' long-term sustainability planning efforts.

The findings indicate that donor compliance issues positively correlate with the sustainability strategies of not-for-profit organisations (NPOs). Specifically, a one-unit increase in donor compliance issues corresponds to a 0.413 increase in the robustness of NPO sustainability strategies. This implies that they significantly enhance their sustainability outcomes when NPOs effectively align with donor compliance frameworks, such as adhering to established guidelines, ensuring asset protection, and meeting specified project timelines. Such compliance fosters a stronger relationship between NPOs and their funding bodies, thus creating a conducive environment for developing and implementing long-term sustainability strategies.

Evaluation of Findings

This section meticulously analyses the study's findings, correlating them with the established research questions and hypotheses. It offers a preliminary interpretation of the results, emphasising their implications for the resource dependency theory and the underlying conceptual framework of the study. Chapter 5 will present a more comprehensive discussion of these findings.

Study Response Rate

The study achieved a notable response rate of 75.9%, reflecting a considerable degree

of engagement and interest among the Not-for-profit Organisations surveyed. This response rate exceeds the typical threshold cited in the literature, where a response of 50% or greater is deemed adequate for robust social science analysis (Mugenda & Mugenda, 2013). Such a high response rate is critical as it enhances the reliability and validity of the findings, ensuring that the data represent the perspectives and characteristics of a broad and diverse spectrum of NPOs.

The heterogeneity of the respondents, particularly regarding the types of NPOs and their operational histories, fortifies the study's capacity to elucidate the impacts of shifts in international donor aid. A significant percentage of international organisations (60.4%) and those with over 20 years of operational experience (55.4%) contribute valuable insights, as these entities possess extensive experience in navigating the intricacies of Uganda's donor aid ecosystem. Their long-standing involvement provides a contextual framework for analysing the effects of donor aid fluctuations on sustainability strategies, given their exposure to various aid cycles and evolving donor priorities.

Furthermore, the sample's diversity—comprising both local and international NPOs—enhances the analytical depth by facilitating comparative assessments of how differing organisational types adapt to changes in the donor aid environment. This diversity establishes a strong foundation for examining the implications of donor aid shifts, thereby informing the sustainability strategies employed by these organisations.

This study is grounded in several theories that provide a comprehensive framework for understanding the dynamics of not-for-profit organisations in relation to their reliance on external resources, specifically donor aid. These theories include resource dependency, strategic management, stakeholder, organisational ecology, and social capital theories. They suggest that NPOs heavily depend on external funding sources for their survival and operational effectiveness. This dependency profoundly shapes their behaviour, decision-

making processes, and strategic approaches.

The notably high response rate from participating organisations indicates a strong interest among many NPOs in sharing their unique experiences and challenges associated with adapting to the evolving landscape of donor funding. This aspect of their operations is a central concern of this research. Moreover, the engagement level from a diverse range of organisations lends credence to the legitimacy and depth of the investigation. It highlights the necessity for NPOs to develop robust strategies for managing donor dependency while focusing on sustainability. As donor funding environments shift, understanding how various NPOs navigate these changes is crucial for designing effective sustainability strategies that address immediate financial needs and foster long-term resilience and adaptability in uncertain funding landscapes.

NPO Social Demographic Information

The distribution of Not-for-profit Organisations across various demographic categories—such as organisational type, tenure, and respondents' gender—provides critical context for analysing the not-for-profit sector in Uganda. These demographic dimensions elucidate the sector's structure and reveal how different organisations adjust to changes in international donor aid dynamics.

The findings indicate that a substantial portion of NPOs in Uganda, specifically 60.4%, are classified as international organisations. This statistic underscores the preeminence of global actors within the Ugandan not-for-profit landscape. The significance of this is twofold; international organisations typically enjoy access to a broader array of funding mechanisms, including substantial institutional donors, which enhances their resilience against fluctuations in donor funding relative to local or indigenous NPOs. Their established global networks, robust organisational frameworks, and extensive experience negotiating with international

funding bodies allow them to adeptly navigate shifts in donor strategy and engagement modalities.

Qualitative insights from interviews with key informants shed light on the evolving operational landscape for these organisations.

One NPO leader articulated that international NPOs have encountered unprecedented instability due to donors' increasing prioritisation of local NPOs. This shift has necessitated a transformation in their roles, prompting some to relocate their headquarters from the global north to the global south in alignment with the localisation agenda. Notably, there is a discernible trend among international NPOs to forge strategic alliances with local agencies, either as sub-grantees or by offering technical assistance. This development marks a significant departure from historical practices, wherein international NPOs predominantly functioned as the primary recipients of donor funding and led consortia, relegating local entities to a downstream partner status. (KI001)

Conversely, local and indigenous organisations, accounting for 32.7% of the sector, constitute a smaller yet significant segment. These entities often rely more heavily on specific donor relationships, rendering them potentially more susceptible to fluctuations in donor priorities and alterations within the aid ecosystem. Analysing the interplay between local and international organisations is essential for assessing how shifts in donor funding impact sustainability strategies across these distinct categories of not-for-profit organisations. As noted by a key informant, recent changes in donor modalities have compelled NPOs into a survival mode, highlighting the urgent need for adaptive strategies in this evolving landscape.

NPOs have tended to respond to the localisation agenda by creating local entities. This includes NPOs creating affiliated local entities and subsidiaries

that align with the eligibility criteria for the localisation agenda while maintaining ties with the parent NPO. NPOs have made drastic decisions to revamp their registration from international entities into national and local entities for business continuity and to improve their respective sustainability. (KI002)

Most of Uganda's responding not-for-profit organisations, comprising 55.4%, were operational for over two decades. This longevity indicates that these organisations possess extensive experience navigating the complexities of the Ugandan donor aid landscape. Over the years, they have likely witnessed and adapted to various paradigms of donor funding, developing robust mechanisms to respond to shifts in that environment. This historical depth suggests a considerable accumulation of knowledge and operational resilience, which may enhance their sustainability strategies amidst external funding fluctuations.

NPOs with over 20 years of operational experience typically have sophisticated systems and strategic frameworks that bolster their long-term viability. Their adept management of donor relationships, diversification of funding sources, and responsiveness to local dynamics and international trends exemplify high adaptability. In contrast, only a small fraction of newer NPOs (5%) potentially confront more substantial challenges, as they may still be building institutional capacity and acquiring the historical acumen necessary for effectively managing donor dynamics. A key informant provided insights into the interplay between shifts in donor aid and the sustainability of NPOs, underscoring the critical importance of adaptive strategies in this sector.

Whilst donor aid shifts and their implications are homogenous in the NPO terrain, small and new NPOs are affected more. These NPOs do not have a strong infrastructural base, including the advantage of operating in a federated structure and partnership framework that larger and international NPOs enjoy. These new and small

national NPOs are predisposed to donor-aid shifts, thus compromising their sustainability and continued existence. (KI002)

The gender distribution among respondents reveals a notable majority, with females comprising 52.5% of the sample. This balance underscores the inclusive dynamics in the nonprofit organisation sector, particularly in leadership and program management roles. Such gender representation is likely to influence the formulation of sustainability strategies and the nature of donor relationships, as diverse leadership teams provide a range of perspectives that enhance management, strategic planning, and stakeholder engagement. In an interview with a key informant addressing the interplay of gender dynamics, donor shifts, and NPO sustainability, several critical insights emerged.

The dichotomy of diversity, inclusion, equity and accessibility is one of the tenets of the donor modalities that are not overly pronounced but largely used as affirmative action in the disbursement of aid to NPOs. The emphasis on the inclusion of women in leadership and disabled has occasioned NPOs to hire female leaders intentionally and include people with disability so that they are attuned to the donor shifts to maintain their presence and survival. (K1001)

The demographic characteristics of the NPOs involved in this study are critical variables that may influence the organisations' responses and strategies. For instance, international organisations may have different sustainability approaches than local organisations, given their access to diverse donor pools and more flexible resources. Similarly, older NPOs may have more mature systems for managing donor shifts, while newer organisations might be more vulnerable to changes in donor priorities.

These factors align with the resource dependency theory, which suggests that organisations depend on external resources for survival. Their strategies are influenced by their

capacity to secure and manage these resources. Organisations with a more extended period of existence or those with international ties may be better positioned to adapt to changes in the aid environment. At the same time, smaller or networked local organisations may need help with resource constraints and shifting donor priorities.

Descriptive Statistics for Variables Under Study

The descriptive statistics offer critical insights into how not-for-profit Organisations in Uganda perceive and operationalise sustainability strategies in light of fluctuations in international donor aid. These statistics provide a snapshot of the sector and lay the groundwork for a more nuanced analysis of the interplay between various key variables, including donor aid modalities, resource allocation determinants, and donor-aid recipients' effectiveness.

A significant finding from the descriptive analysis reveals that 87% of the NPOs reported having a formal sustainability strategy in place. This high prevalence suggests that most NPOs are proactively addressing the complexities associated with maintaining their operational viability in a fluctuating donor landscape. Establishing a structured sustainability strategy underscores the sector's awareness of the critical need for long-term planning to mitigate the risks tied to the variability of donor funding.

Sustainability strategies are essential for NPOs as they enable alignment of organisational objectives with available resources, enhance operational efficiency, and ensure the continuity of services, even amidst shifts in external funding sources. These strategies may encompass a broad spectrum of approaches, including diversifying funding streams, engaging in public-private partnerships, and instituting cost-efficiency measures. The high proportion of NPOs with sustainability strategies highlights the sector's commitment to resilience and adaptability in a dynamic donor environment, a sentiment echoed in qualitative data from key informant interviews.

Financial sustainability remains the key pillar for NPOs' sustainability, and the organisation's financial standing must be jealously guarded. Effective financial management is crucial in the NPO sector, particularly given the seasonal fluctuations in donor aid. NPOs should develop a comprehensive business plan that includes detailed financial projections and effective risk management strategies to achieve long-term success. Monitoring cash flow, controlling expenses, and regularly reviewing budgets are essential to maintaining financial prudence and ensuring sustainability. The NPO industry is prone to significant peaks and valleys throughout the year, so a plan for those quieter periods is inevitable, especially for those NPOs that predominantly rely on donor grants. Building an emergency fund is another strategy to prepare for unexpected financial cuts, unforeseen events, economic downturns, and natural disasters. For instance, NPOs should have learnt valuable lessons from the COVID-19 pandemic and set aside a financial buffer to help them prepare for future crises, including those related to shifts donors. (KI003)

The programming focus areas among Not-for-Profit Organisations underscore the sector's complexity. Most NPOs in this study actively engage in critical development sectors such as Health, WASH (Water, Sanitation, and Hygiene), Livelihoods, and Education. These domains are essential for Uganda's socio-economic progress and align closely with the strategic priorities of multiple international donors who typically finance interventions in these areas.

The variety of programming foci enables an exploration of how NPOs navigate the dual objectives of meeting donor expectations while ensuring long-term sustainability. Organisations with diversified programming portfolios may enhance their ability to secure funding from a broader spectrum of donors, thereby strengthening their sustainability prospects. However, this alignment with donor priorities often necessitates a narrowing of focus to those sectors or interventions that are more likely to attract financial support, which

could potentially divert them from their fundamental missions and long-term strategic goals.

Furthermore, an analysis of financial data, including budgetary distributions among NPOs, sheds light on their economic resilience. The study reveals that most NPOs operate with budgets ranging from USD 1 million to USD 20 million, with a smaller fraction managing budgets that exceed USD 100 million. This variation in financial capacity illustrates the diverse scale and operational scope of NPOs in Uganda, spanning from small, community-oriented organisations to large, internationally affiliated entities.

The size of an organisation's budget is a pivotal factor in determining the sustainability strategies employed by not-for-profit organisations . Organisations with substantial financial resources often exhibit greater agility in adapting to fluctuations in donor funding, as they typically benefit from diverse funding streams and maintain significant reserves to cushion against financial volatility. Conversely, smaller NPOs frequently depend on a limited pool of donors, rendering them more susceptible to shifts in donor preferences or changes in funding modalities.

This financial landscape underscores the critical importance of robust financial management and strategic foresight in safeguarding the long-term viability of NPOs. As they navigate the evolving donor-aid environment, these organisations face the dual challenges of maintaining and expanding their operations amidst shifting funding paradigms. The transformation in the donor landscape necessitates a re-evaluation of operational strategies, compelling NPOs to adapt to the new dynamics of donor engagement while simultaneously striving to deliver measurable impact, fulfil the expectations of beneficiaries, and maintain relevance in an increasingly competitive sector.

A Director of an NPO, who was interviewed as a key informant, expressed insights on these challenges and opportunities.

As NPOs navigate the complex international donor aid environment, they are confronted with the opportunities and challenges of the rapidly changing donor environment. The pressure is not only to conform to the working methods prescribed by donors but also to innovate and develop sustainable strategies. Sustainable strategies must harness opportunities in the end-to-end value chain while unlocking new opportunities in the positive shifts in the donor-aid landscape. To mitigate the negative effects of the donor-aid environment, NPOs should design strategies to diversify their funding mix, develop capabilities in new areas of donor priorities, and leverage collaboration among themselves to aggregate efforts in response to these changes. Instead of competing with each other, NPOs should align their strengths and resources and develop comprehensive sustainability strategies. Through shared mandates, infrastructure and capabilities, NPOs are poised to raise service demand, gain legitimacy, and be regarded as valued players in the donor aid ecosystem. (KI002)

The descriptive statistics illustrate the varied operational dimensions of not-for-profit Organisations, particularly the representation across critical functional areas such as program management, finance, human resources, and monitoring and evaluation. The study's presence across these departments equips NPOs with the necessary expertise to enhance operational efficiency and ensure compliance with donor requirements. Notably, the significant proportion of program management (35.6%) underscores its pivotal role in driving NPOs towards achieving their objectives and satisfying donor expectations.

This diversity in roles and departments underscores the complex nature of NPO operations, necessitating coordinated efforts among various organisational units to secure sustainability. NPOs must implement effective programs and ensure that their financial management, resource mobilisation, and monitoring frameworks align with donor stipulations, thereby supporting long-term sustainability initiatives.

International Donor Aid Modalities and NPO Sustainability

The examination of International Donor Aid Modalities unveils a complex relationship between the funding mechanisms utilised by donors and the sustainability of Nonprofit Organisations. The results yield intricate insights into how various aid modalities—specifically project aid, aid localisation, and results-based funding—affect NPOs' strategies for ensuring long-term viability. These modalities not only shape the financial health of NPOs but also inform their operational and strategic approaches to sustainability.

Both project aid and aid localisation exhibit positive correlations with the sustainability strategies of NPOs. Project aid, characterised by targeted funding toward specific interventions, comes with the well-defined objectives, budgets, and timelines. Our findings indicate that NPOs benefiting from project-based funding can more effectively align their sustainability strategies due to the clarity in expectations and deliverables that this funding entails. A significant 95% of respondents agreed that project aid enhances structured planning and execution, thus enabling organisations to obtain necessary resources to achieve both immediate project outcomes and broader sustainability goals. This structured framework inherent in project aid allows NPOs to devise more accurate financial and operational strategies, particularly crucial in a landscape where funding volatility presents substantial risks.

Aid localisation represents a paradigm shift in the funding landscape, allowing donors to allocate resources directly to local not-for-profit organisations without intermediaries. This practice has proven to be a critical factor in enhancing NPO sustainability, with 69.3% of surveyed organisations indicating that aid localisation improves their ability to align with donor priorities and secure funding while circumventing the bureaucratic complexities associated with intermediary organisations.

By fostering direct relationships between donors and local NPOs, aid localisation

empowers these organisations, decreases transaction costs, and mitigates the power dynamics typically prevalent when international NPOs act as intermediaries. For local NPOs, this modality offers the autonomy to take ownership of their initiatives and strategies, thereby enabling them to respond more effectively to the shifting donor landscape.

The interplay between aid localisation and project-based funding methodologies suggests that not-for-profit organisations proficient in aligning their operations with these frameworks are more likely to develop robust sustainability models. These organisations gain from streamlined funding pathways and articulated project outcomes, which aid in long-term strategic planning and resource development.

In contrast, results-based delivery mechanisms require a more direct connection to NPO sustainability plans. This funding model links resources to attaining specific project milestones, compelling organisations to provide evidence of progress toward defined objectives before funds are released. While this approach enhances accountability and operational efficiency, it can impose considerable pressure on NPOs that may not have the necessary upfront capital to invest before receiving funding.

The study revealed that 32.1% of respondents expressed disagreement with the notion that result-based delivery promotes sustainability. This finding underscores the significant challenges not-for-profit organisations encounter when funding is allocated on a reimbursement basis. Smaller and new NPOs, in particular, often lack the financial capacity to front the costs of initiatives, which can result in cash flow constraints that impede the implementation of long-term sustainability strategies.

Moreover, 39.6% of participants rejected that result-based funding provides the necessary flexibility regarding fund utilisation. This limitation further complicates NPOs' ability to respond to evolving circumstances or unexpected challenges during the execution

phase. Although result-based delivery can bolster donor confidence by demonstrating quantifiable outcomes, its focus on immediate performance metrics and rigid timelines may inhibit the strategic adaptability that NPOs require for sustainable growth.

The evidence points to a tension between accountability mechanisms and the need for a more nuanced approach that enables NPOs to develop sustainable strategies while meeting donor expectations. A key informant emphasised the potential for donors to adopt a more collaborative approach in aid design and implementation, highlighting the importance of engaging aid recipients in the decision-making process to ensure interventions are contextually relevant and purpose-driven.

Donors who emphasise open communication contribute to a culture of transparency and ongoing dialogue, thereby facilitating a collaborative approach to the design of donor aid. This enables nonprofit organisations (NPOs) to co-create, providing feedback and fostering continuous improvement in aid allocation. To optimise efficacy, donors should prioritise regular check-ins and open conversations with aid recipients, ensuring that donor modalities are appropriately contextualised and sensitive to the specific operational environments of the NPOs. The adoption of cash-based delivery systems suggests that NPOs can build funding reserves; however, this model is fundamentally at odds with the intrinsic nature of NPOs, which do not pursue profit generation. Thus, the cash-based approach does not align well with nonprofit organisations' operational paradigms. (KI006)

The study's findings underscore the pivotal role that aid modalities play in shaping the sustainability frameworks of not-for-profit organisations. Donor funding is intricately tied to

specific initiatives, and localised support cultivates environments conducive to implementing robust sustainability strategies by NPOs. The localisation of aid is particularly advantageous for local NPOs, which possess a superior understanding of their contextual landscape and can respond more swiftly to the dynamic needs of their communities. Direct funding empowers these organisations to align their operational strategies more seamlessly with donor objectives and the communities' long-term goals.

In this context, theories highlighted in the theoretical framework in Chapter One are crucial, as NPOs are fundamentally reliant on external financial flows for their operational viability. The various aid modalities reflect the complexities of this dependency, with options like project aid and localised support being more conducive to stability and facilitating strategic long-term planning. Conversely, results-based funding can impose challenges due to their inherent rigidity.

The study further indicates that aligning donor funding with specific projects and organisational priorities is vital for shaping the sustainability strategies of NPOs. Organisations that can adeptly position themselves within the donor ecosystem—leveraging localisation, project-specific aid, or adaptable funding structures—tend to be more successful in executing long-term strategies that transcend the limitations of short-term funding cycles.

A key informant encapsulated the complex interplay between donor aid modalities, shifts in donor strategy, and the sustainability of non-profit organisations as a quagmire, highlighting the inherent challenges this intersection presents.

The ever-changing international donor aid infrastructure requires NPOs to stay abreast of the current donor aid shifts in their environment. NPOs could benefit from investing time, resources, and effort in tracking changes by establishing a research and learning agenda. (KI004)

A key informant, specifically a director from one of the interviewed non-profit organisations, discussed prevailing trends and emphasised the necessity for NPOs to adapt proactively to these developments.

A deeper understanding of the donor aid environment is critical to establishing and growing successful NPOs. Before NPOs develop their respective sustainability strategies, comprehensive research into their local and international donor-aid environment is essential. There is a need to understand the operational environment as well as the strengths and weaknesses of the organisation in responding to the donor aid shifts. NPOs need to identify and continuously invest in understanding donors and tailor their products and program models to fit and meet their expectations. (KI006)

Determinants of International Donor Aid Allocation and the Sustainability of NPOs

The findings from the study on the determinants of International Donor Aid Allocation highlight that factors such as donor priorities, governance frameworks, and strategic alignment are pivotal in shaping the resource distribution to not-for-profit organisations. These determinants are instrumental in informing the strategic approaches that NPOs adopt to maintain their operational viability. The insights derived from this analysis are consistent with Resource Dependency Theory, which asserts that organisations rely heavily on external resources for their survival, and that external variables—such as donor preferences and governance mechanisms—are critical in influencing organisational strategies.

The study highlights that donor priorities and strategic alignment are critical determinants in the allocation of aid resources. Donor motivations frequently encompass a combination of geopolitical, economic, and developmental considerations that influence how

resources are distributed to non-profit organisations. The findings reveal that 82.2% of respondents perceive that socio-economic dynamics in Uganda have a significant impact on aid allocation to their entities. Additionally, 55% of participants recognised that international trade interests associated with Uganda are also pivotal in shaping the distribution decisions of donor resources.

These findings suggest that NPOs are strategically positioning themselves to align with donor interests, often by focusing on sectors or projects that reflect the priorities of international donors. This strategic alignment enables NPOs to secure funding in a highly competitive and volatile donor funding landscape, where resources and intense funding competition are rising. By aligning with donor priorities—whether related to poverty alleviation, economic growth, or geopolitical stability—NPOs increase their chances of securing long-term funding, which is essential for sustainability. The results reinforce the principles of strategic management and stakeholder theory, highlighting the critical role of deliberately fostering relationships to achieve organisational sustainability.

Moreover, the study found that 91% of respondents indicated that aligning their organisation's strategy with donor objectives is one of the most critical factors in securing funding. This highlights the adaptive capacity of NPOs to shift their strategy to meet donors' changing priorities, demonstrating their dependency on external financial resources.

The role of governance in donor aid allocation is also significant, albeit to a lesser extent than donor interests and strategic alignment. Governance factors such as the rule of law, political stability, and fiscal transparency within Uganda influence the willingness of international donors to allocate resources to NPOs. While governance was not found to have the same level of influence as donor interests, the study did find that 40.6% of respondents agreed that governance factors, such as Uganda's political landscape, impact donor decisions

to some extent. Donors often view good governance as a prerequisite for effective aid utilisation, ensuring that resources are used transparently and accountably. In this context, NPOs demonstrating strong governance structures are more likely to secure funding, as donors seek assurance that their investments will be managed effectively and aligned with intended outcomes. However, it is noteworthy that the recipient's need was found to have a lower influence on aid allocation. This suggests that while donor aid is typically aimed at addressing development challenges, the allocation of resources is not solely determined by the needs of the recipient countries or organisations. Instead, donor priorities and strategic interests often take precedence, emphasising the power imbalance in donor-aid-recipient relationships.

The findings have several implications for NPO sustainability. NPOs that successfully align their operations and strategic objectives with donor interests are better positioned to secure funding and ensure long-term sustainability. This dynamic underscores the importance of strategic adaptability for NPOs, as they must continuously monitor and respond to changing donor priorities to remain competitive in the funding landscape.

The alignment with donor interests, however, also presents challenges for NPOs. This can result in scenarios where non-profit organisations compromise their core missions or stray from their original objectives in order to satisfy donor expectations. For instance, these organisations may redirect their focus toward sectors that are more likely to secure funding from donors, even if these areas do not fully align with their established missions or the needs of the communities they serve. This tension between organisational mission and donor-driven priorities is a recurring theme in the resource dependency framework, where organisations must balance their dependence on external funding with their commitment to their core values and objectives. At the same time, the findings suggest that NPOs must also invest in good governance practices to build credibility with donors. While governance did not emerge as the most influential determinant of donor aid allocation, it remains an essential factor for donors

who are increasingly focused on accountability and transparency in the use of funds. NPOs with strong governance structures are more likely to attract funding and foster long-term partnerships with donors.

Qualitative data from interviews with key informants summarised the effect of donor aid interests on NPOs' sustainability below:

The NPOs' survival mechanism has forced them to change their financial and programmatic focus and priorities, creating a delicate balance and tension between the study of economic sustainability and ethical integrity that has continued to be a paradox. I have seen several NPOs compromising their mission and identity, preferring to adopt programs that show less connection to their inherent focus areas, as long as they are aligned with donor interests. A case in point is the climate change agenda, which is assumed to have attracted donor funding. Nonprofit organisations operating in these environments often prioritise sustainability over their core mission. When NPOs shift their focus towards short-term financial gains, they risk compromising their foundational principles and long-term objectives. This shift can lead to a dilution of their purpose, undermining their reason for existence and their aspirations for future impact. (KI004)

The drive for sustainability appears to be the primary concern for NPOs. However, their broader contribution to public interests and societal goals can extend beyond being sustainable for its own sake.

A key informant asserted that NPOs could reflect on who they want to remain despite changes around them.

NPOs should consider challenging themselves with questions such as: What will the new sustainability model entail? To what extent will this newly adapted sustainability

model propel them forward, and what repercussions might it have on aspects like the funding landscape and their organisational identity? How can NPOs secure their financial survival while effectively addressing the root causes of poverty and vulnerability? What is the appropriate balance between financial sustainability, ethics, trustworthiness, accountability, and moral operations? (KI007)

The paradox is especially pronounced when non-profit organisations find themselves caught between the interests of their donors and the promotion of foreign aid policies. This situation highlights the tension between catering for donor interests, such as trade, and remaining committed to the socio-economic realities of their environments, as seen in Uganda. A Country Director interviewed for the study on donor-interest-driven aid confirmed this dilemma.

Not-for-profit organisations often find themselves positioned as recipients of aid, navigating complex agendas that align more closely with donor priorities than their mission. This dynamic challenges NPOs, particularly regarding business continuity and a potential shift in their operational focus. In response to donor pressure, many NPOs have adjusted their objectives to emphasise accountability measures linked to donor-funded initiatives, addressing issues such as human rights, governance, citizen engagement, and locally led advocacy efforts. (KI003)

NPOs advocate for a more recipient-centric approach to aid to enhance their effectiveness and sustainability. They argue for greater flexibility in funding mechanisms, moving beyond mere compliance to foster innovation and build organisational capacity. Such strategic shifts are essential for NPOs to maintain relevance and ensure long-term viability in an ever-changing landscape

In the realm of not-for-profit organisations and systems thinking, donor aid acts as a

catalyst for empowerment and transformative change, vital for sustaining NPOs. Flexible funding models allow these organisations to make informed strategic decisions and develop operational frameworks tailored to their unique contexts. This fosters a mutually beneficial relationship that aligns the interests of both donors and recipients. This perspective necessitates that NPOs critically evaluate donor intentions and exhaust all alternative sustainability strategies before adapting to changes in the donor-aid landscape. Innovative thinking and creative problem-solving must take precedence over financial adversity and the pressures associated with funding constraints.

When changes in donor aid significantly impact the sustainability of non-profit organisations, it is essential for these organisations to approach strategy modifications with careful consideration. They must strive to retain their core identity while navigating these challenges. The necessity to adapt to the evolving donor landscape has resulted in a growing trend of identity transformation among NPOs. Common patterns include the shift from international non-governmental organisations (INGOs) to local entities, adjustments in mission and values, and a move towards decentralised organisational structures.

To navigate these transformations while maintaining their operational frameworks, nonprofit organisations should adopt an agile approach that allows for quick adaptation to shifts in the donor landscape. At the same time, their sustainability strategies should be firmly based on comprehensive evidence and rigorous data analysis. This dual focus will enable NPOs to remain resilient and strategically aligned with evolving funding dynamics.

International Donor Aid-Recipient Effectiveness and NPOs Sustainability

The analysis of donor-aid recipient effectiveness underscores the critical role of accountability, financial prudence, and regulatory compliance in influencing the strategic

frameworks of not-for-profit Organisations. The observed negative correlation between donor aid recipient effectiveness and NPO sustainability indicates a complex interplay; enhancing effectiveness may necessitate a thorough reassessment of sustainability approaches.

When examining the determinants of donor aid allocation and the modalities employed by donors, it emerges that an increased emphasis on the localisation of aid—aligned with donor interests—may inadvertently dilute the rigour in adhering to fundamental principles of donor aid recipient effectiveness, particularly accountability and value-for-money considerations. This shift signals a significant and perhaps unexpected evolution within the donor aid landscape, challenging the prevailing expectation that accountability and cost-effectiveness should dominate donor funding decisions.

Despite these insights, qualitative data strongly advocates for NPOs to mirror the principles of accountability, transparency, and value for money as they navigate the complexities of donor funding and sustainability.

One key informant articulated this sentiment: "Engaging effectively with international donors and other stakeholders through a commitment to accountability, transparency, and integrity could serve as a pivotal differentiator for NPOs adapting to the rapidly changing donor environment. The growing demand for enhanced operational efficiencies in the face of systemic disruptions necessitates a fundamental recalibration of NPO sustainability foundations. This evolution compels NPOs to intentionally reassess and realign their brand positioning, credibility, and relational networks to maintain relevance and trust within the sector. (KI005)

NPOs must seek partnerships with like-minded NPOs and donors and ensure that such engagements do not presuppose NPOs' objectives, including making assumptions about the right strategy. Successful partnerships and engagements are built on trust and dependability. In

the face of a changing donor aid landscape, NPOs should guard against losing credibility with donors. Therefore, embedding accountability and trust in the NGO engagement and partnership plan will promote the organisation as trustworthy and open doors for open engagement and communication with existing donors, potential donors, and other like-minded partners.

Not-for-Profit Sustainability Strategies

The examination of sustainability strategies among not-for-profit organisations reveals a pronounced focus on financial sustainability, which emerges as a central concern for the majority of these entities. In light of the unpredictable landscape of international donor funding, NPOs in Uganda are implementing pragmatic methodologies to secure long-term financial resources critical for their operational continuity. These strategies encompass strategic partnerships with the private sector, diversification of income sources, and the incorporation of revenue-generating activities. Such approaches are indicative of an adaptive and strategic manoeuvring in response to the challenges arising from variable donor support. As highlighted by the key informant,

The drivers of NPOs' sustainability strategies aim to create more resilient organisations that can withstand the fast-paced, rapid changes and disruptions in the donor aid environment. This has placed NPOs on a pedestal, encouraging them to think outside the box and adopt an agile mindset. The NPOs weathering the storm in the changing donor aid landscape are crafting their sustainability strategies to reflect responsiveness, flexibility, and an outward-looking approach. (KI008)

The study's findings reveal that financial sustainability has become the primary concern for numerous not-for-profit organisations. Most respondents (92.1%) recognise the necessity of diversifying funding sources beyond conventional donor aid. This consensus underscores the effectiveness of partnerships with the private sector, particularly through corporate social

responsibility (CSR) initiatives, in bolstering sustainability efforts. Such collaborations allow NPOs to capitalise on private sector resources, enhancing their operational capacity and impact. Furthermore, 74.3% of respondents highlighted the strategic value of engaging in contractual, fee-based partnerships with public and private entities to fortify their sustainability strategies. As emphasised by a key informant, these partnerships are crucial to navigating the evolving landscape of funding and operational sustainability in the not-for-profit sector.

Not-for-profit organisations should explore innovative pathways for driving change, particularly by fostering collaborative partnerships with the private sector. Engaging the private sector in NPO initiatives can yield unconventional benefits, such as donor aid matching, enhanced operational continuity, and increased sustainability. This collaboration also plays a crucial role in addressing the prevalent handout mentality among aid recipients by promoting models of contribution and cost-sharing. Such approaches mitigate concerns around tokenism and are vital for the preservation and stewardship of community assets. Moreover, this shift in strategy can encourage donors to view their contributions as a catalyst for transformative change, bolstering the assurance of continuity in funding. When beneficiaries are actively involved in the process, it prompts donors to engage more deeply with NPOs and recipients, thereby legitimising their role in the decision-making and feedback mechanisms essential for effective program implementation and evaluation. (KI003)

The study identifies an increasing trend among nonprofit organisations towards income diversification, with 67.3% of participants advocating adopting profit-generating strategies to secure long-term financial viability. These strategies may include establishing social enterprises, implementing fee-for-service models, or launching income-generating initiatives

aligned with organisational missions. By broadening their financial base, NPOs can decrease reliance on a singular funding source, thereby enhancing resilience against external shocks such as abrupt donor funding reductions or evolving donor priorities.

However, pursuing financial sustainability introduces a critical tension for NPOs, necessitating a balance between fiscal viability and adherence to core mission and values. Data reveals that 58.4% of respondents oppose the perspective that NPOs should divert focus from their primary mission to align strategically with donor-driven priorities. This contention underscores a significant challenge: the risk of mission drift, which occurs when organisations compromise their foundational values or shift their focus to secure funding. Particularly for NPOs heavily reliant on donor assistance, the impetus to align with donor expectations can lead to compromises that jeopardise organisational autonomy and diminish long-term strategic vision. This dynamic represents a well-recognised issue within the nonprofit sector, where organisations must often reconcile the competing demands of sustaining financial stability while maintaining mission integrity. As articulated by a key informant, this tension is emblematic of the broader challenges NPOs face in navigating their operational landscapes.

For NPOs to guard against the sudden shifts in the donor aid environment, they must be proactive. It is incumbent on NPOs to stay attuned to trends in the international donor environment. (KI006)

One Country Director agreed to validate the above data.

For NPOs to maintain a competitive edge, they must keep up with international donor environments, changing priorities, respective donor aid, government, economic and political trends. Embracing and anticipating changes and building mitigating strategies will enable NPOs to explore options that support them in responding effectively without experiencing the pressure of mission drift. On the other hand, NPOs should prioritise

staying current with regulatory changes to remain compliant and sustainable. International donors support the environment, where country governments have established regulations. Keeping informed on any shifts will ensure that NPOs operate within the law and keep up with compliance regulations, and their core mission and values are adapted accordingly. (K1007)

In this context, numerous not-for-profit organisations face the challenge of balancing the need to secure essential financial resources with preserving their identity and autonomy. The qualitative data collected in the study highlights this dilemma, with several respondents emphasising that while financial sustainability is vital, it should not come at the expense of the organisation's core mission.

NPOs must, therefore, adopt strategies that allow them to diversify their funding without compromising their core values, a delicate balance that requires careful planning and strategic foresight. (KI005)

The phenomenon of mission drift poses a significant challenge for nonprofit organisations, impacting their capacity to maintain authenticity and accountability to their target populations. When NPOs divert from their foundational mission to pursue donor funding, they risk estranging key stakeholders—including the communities they serve, their personnel, and their extended support networks. This study indicated that 96% of NPOs recognise the necessity of achieving a balance that enhances resource generation while preserving the quality and volume of services delivered to their primary beneficiaries.

To maintain a sustainable balance, not-for-profit organisations must implement long-term sustainability strategies that prioritise their mission while ensuring financial viability. Innovative funding models that align with their core values—such as mission-driven social enterprises or ethical fundraising initiatives—can facilitate this alignment. Furthermore, NPOs

should seek strategic partnerships with complementary organisations and attract funding from donors whose values resonate with their mission, mitigating the risks associated with donor-driven compromises.

The research emphasises the importance of capacity-building initiatives that enhance the organisation's governance, financial management, and strategic planning competencies. By bolstering their internal capacities, NPOs can achieve greater self-sufficiency and reduce dependence on external funding, minimising the risk of mission drift. This alignment is crucial for ensuring their long-term sustainability strategies align with their foundational values.

Qualitative data reinforces this perspective, with several key informants highlighting the necessity for collaboration among NPOs to foster resilience and ensure long-term survival in an increasingly challenging funding landscape.

In building resilient NPO sustainability strategies, embedding an influencing agenda will be a differentiator for NPOs, aligning them with their mission and values. In the rapidly changing donor-aid environment, it is not enough to have a sustainability strategy; it is necessary to fuel the strategy with a clear influence agenda in donor conversations, especially when designing new and post-program initiatives. NPOs grappling with the ever-evolving shifts in international donor aid may benefit from effective influence. Effective influencing calls for clarity, simplification and focus. It is about NPOs making strategic choices to set clear, shared metrics around success without compromising their identity. Investment in dialogue tools, capacity building in partnership, and influence will support organisations in becoming more effective and informed in the discourse surrounding shifts in donor aid. NPOs must adopt an integrated influencing framework to think and work systematically towards achieving influencing goals. An influence methodology that aligns with the NPO's financial and

strategic goals ensures that influence is intentional and effective, supporting the NPO's sustainability. (KI004)

Navigating the evolving donor-aid landscape poses significant challenges for not-for-profit organisations, particularly in sustaining and expanding their operations. Recent shifts in the donor environment require NPOs to recalibrate their operational strategies, necessitating a balance between achieving organisational objectives and responding to these changes.

The narrative underscores that quantitative metrics are critical; however, their true value can only be realised through enhanced collaboration among stakeholders and NPOs. To effectively respond to fluctuations in donor funding, NPOs must implement agile operational strategies that allow for scalability in multiple dimensions. By proactively anticipating changes in the donor landscape, NPOs can optimise resource allocation, thereby mitigating the financial repercussions of sustaining operations during decreased funding periods.

In addition to achieving growth in funding, NPOs must consider cost-cutting strategies geared towards building local skills. Donors are urging NPOs to be locally capacitated to reduce their reliance on foreign technical assistance. NPOs may also consider strengthening their relationships with the Ugandan government and renegotiating a favourable compliance and regulatory environment, fostering a more stable operating environment. NPOs must focus on developing and implementing structured and measurable strategies to establish stability, reliability, and trust with donors and their beneficiaries. NPOs should anticipate what donors are looking for and provide solutions that make them inevitable partners in achieving the impact donors seek, meeting the expectations of beneficiaries, and staying relevant. (KI002)

NPOs seeking to secure or fortify their presence in a complex operational landscape

must prioritise strategic planning while remaining vigilant to the evolving dynamics of the international donor landscape. A comprehensive understanding of their sector, prudent financial management, and formulating sustainability strategies that consider both internal and external trends are crucial. By consistently assessing and adapting to global donor patterns, NPOs can establish resilient operational frameworks capable of enduring over time.

In Uganda, NPOs must recognise the critical necessity of forging robust networks and cultivating relationships with donors, relevant government agencies, and other local NPOs and beneficiaries. A sustainability strategy that enhances the experiences of donors and beneficiaries is fundamental to the success of any NPO. This approach necessitates meticulous stakeholder analysis, allowing for targeted networking and engagement plans tailored to each party involved. By implementing these strategies, NPOs can significantly improve their chances of securing donor funding and fostering trust among their beneficiaries, supported by key informants' insights.

NPOs should embrace the values of transparency, dialogue, and stewardship, ensuring the stakeholders are engaged in decision-making regarding strategic choices. Stakeholders in the NPO environment are those that either affect or are affected by NPO sustainability strategies. While donor aid shifts are apparent, it is imperative that NPOs take stock of the stakeholders and intentionally engage and negotiate with them on the sustainability decisions being reviewed. The donor community should equally consider NPOs as stakeholders, intentionally involve them, and regard them as valued contributors who bring context and fit-for-purpose solutions to the donor aid shifts discourse. (KI003)

Considering the volatility of the donor aid landscape, not-for-profit organisations are urged to assume a role as catalysts for collaborative initiatives, seizing opportunities that

promote collective action and innovation. This strategic approach aims to optimise beneficiaries' financial outcomes while maintaining donor engagement. As highlighted by a director from one of the NPOs interviewed,

NPOs should recognise that, despite the rapid changes and complexities of the prevailing donor-aid environment, no single NPO can possess all the competencies necessary to respond effectively to the evolving donor-aid landscape. Collaborative NPOs harness the collective intelligence, and the advantages found in cross-organisational synergies, including problem-solving, focusing on more significant impact, innovation and efficiencies. (KI006)

Collaboration leverage goes beyond merely reducing redundant efforts; it enhances the management of shared knowledge assets and promotes organisational agility. This approach allows organisations to respond rapidly to dynamic environmental shifts, ensuring they remain competitive and innovative in their strategies.

Logistic Regression Results

The logistic regression analysis offers insights into the dynamics between shifts in international donor aid and the sustainability strategies employed by not-for-profit organisations. Utilising ordinal logistic regression, this study evaluated its hypotheses by concentrating on three key independent variables: the modalities of international donor aid, the determinants influencing aid allocation, and the effectiveness of aid recipients. The analysis investigates how these factors impact the sustainability strategies of non-profit organisations.

The model fitting results indicate a significant improvement from the baseline model (devoid of predictors) to the final model that includes these independent variables. The resulting p-value ($P = 0.000$) confirms the statistical significance of the final model, indicating that the observed relationships between independent variables and the dependent variable

(NPO sustainability strategies) are unlikely to be attributed to chance. This bolsters the model's validity in elucidating the effects of international donor aid shifts on the sustainability of NPOs.

Furthermore, the goodness-of-fit analysis supports the model's adequacy in representing the data. With a p-value of 0.253, which exceeds the conventional threshold of 0.05, the study finds no evidence to reject the null hypothesis regarding goodness of fit. This outcome suggests that the model proficiently encapsulates the relationship between shifts in donor aid and the sustainability strategies of NPOs, thereby reinforcing the robustness of the study's conclusions.

The coefficient of determination indicates that 59.9% of the variance in NPO sustainability strategies is attributable to the independent variables: International Donor Aid Modalities, Aid Allocation Determinants, and Donor Aid-Recipient Effectiveness. This significant explanatory power emphasises these factors' critical role in informing the sustainability approaches of NPOs, especially within the dynamic donor landscape of Uganda. However, the remaining 40.1% of the variance suggests that other, unexamined variables may also impact NPO sustainability. Consequently, future research must investigate additional influencing factors, such as internal organisational capabilities, leadership dynamics, and community engagement, to gain a more comprehensive understanding of NPO sustainability.

Null Hypothesis 1: International Donor Aid Modalities and NPO Sustainability Strategies

The findings related to Null Hypothesis 1 reveal a significant positive correlation between international donor aid modalities and the sustainability strategies employed by not-for-profit Organisations. The parameter estimates indicate that various aid modalities—including project aid, results-based delivery, budget support, and aid localisation—influence

NPO sustainability differently. Specifically, results-based delivery and aid localisation were identified as having the most pronounced positive effects on NPO sustainability. This underscores the premise that NPOs achieve greater sustainability when they can provide quantifiable outcomes and when aid is localised, thus minimising reliance on intermediaries and reducing associated transaction costs.

Conversely, the aggregation of funds under traditional project aid demonstrated a negligible or occasionally insignificant impact on NPO sustainability. This observation suggests that while conventional project-based aid remains prevalent, more innovative frameworks such as results-oriented funding and localised aid are likely more effective in fostering the long-term viability of NPOs. The rejection of Null Hypothesis 1 reinforces the notion that international donor aid modalities are critical determinants in the sustainability strategies adopted by NPOs.

Null Hypothesis 2: Donor Aid Allocation Determinants and NPO Sustainability Strategies

The results regarding Null Hypothesis 2 indicate a significant positive correlation between the determinants of international donor aid allocation and the sustainability strategies employed by nonprofit organisations. The analysis identifies donor interests and governance as pivotal factors shaping aid distribution. Donor motivations—whether driven by self-interest or philanthropic intentions—profoundly influence resource allocation, steering funding toward initiatives that resonate with donors' strategic priorities, including geopolitical considerations, economic alliances, or targeted development objectives.

Moreover, the quality of governance within recipient nations positively correlates with donor preferences for aid allocation. Donors tend to support entities and governments with robust accountability and transparency frameworks. Notably, the study reveals that the

expressed needs of recipients exert a marginally negative influence on sustainability strategies, suggesting a disconnect where donor allocations are not necessarily aligned with the most urgent requirements of recipient organisations or nations. This phenomenon highlights a potential power asymmetry in donor-recipient dynamics, wherein donor preferences often eclipse the genuine needs of recipients. Consequently, Null Hypothesis 2 is rejected, reinforcing the assertion that the determinants of donor aid allocation play a critical role in shaping the sustainability approaches of NPOs.

Null Hypothesis 3: International Donor Aid-Recipient Effectiveness and NPOs' Sustainability Strategies.

The findings related to Null Hypothesis 3 yield an intriguing insight. An insignificant negative correlation exists between the effectiveness of international donor aid recipients and the sustainability strategies not-for-profit organisations employ. While factors related to donor compliance positively influence NPO sustainability, dimensions of accountability and value for money appear to detract from it. This paradoxical outcome raises the possibility that, although donors advocate for accountability and cost-effectiveness conceptually, the stringent enforcement of these standards may inadvertently harm NPO operations.

The above assertion augments that the onerous reporting and compliance obligations linked to accountability may tax the already constrained resources of NPOs, potentially causing mission drift and a reduced emphasis on establishing long-term sustainability practices. Additionally, qualitative data gathered during the study indicate that the localisation of aid has relaxed specific effectiveness guidelines between the study donors and aid recipients. This trend may account for the attenuated relationship between the respective variables, as donors delegate greater responsibilities to local NPOs and loosen controls, facilitating greater flexibility in managing donor-provided funds, sometimes even at the cost of strict

accountability measures.

Given the p-value of 0.620, which surpasses the significance threshold of 0.05, we fail to reject Null Hypothesis 3. This result suggests that the relationship between international donor aid and recipient effectiveness regarding NPO sustainability strategies is minimal and lacks statistical significance.

Summary of the evaluation of findings

The ordinal logistic regression analysis yielded a robust model, confirming a significant association between international donor aid modalities, international donor aid allocation, and the effectiveness of aid recipients regarding the sustainability strategies of not-for-profit organisations. The coefficient of determination for the model is 59.9%, indicating that the independent variables account for a significant portion of the variance observed in NPO sustainability strategies. This suggests a robust explanatory power of the variables for the dependent outcome.

Parameter estimates reveal that specific aid modalities—such as results-based funding, budget support, and aid localisation—are positively associated with improved sustainability strategies of nonprofit organisations. Additionally, donors' interests and governance structures significantly influence NPO sustainability. This suggests that the agendas of external donors and the governance frameworks play a crucial role in shaping the decision-making processes within NPOs.

In contrast, an increase in recipient need was associated with a subtle decline in NPO sustainability, highlighting the complexities involved in balancing the interests of donors and recipients. Notably, the investigation revealed an insignificant negative correlation between international donor aid-recipient effectiveness and the sustainability strategies of NPOs. This finding suggests that while donors may prioritise compliance and accountability, such a focus

does not necessarily lead to improved sustainability outcomes for NPOs. This prompts critical reflections on the balance between stringent donor requirements and the operational flexibility that NPOs need to achieve long-term sustainable success.

This study offers a comprehensive analysis of the not-for-profit organisation landscape in Uganda, particularly in response to recent shifts in international donor aid. The findings align with established theoretical frameworks and show how NPOs adapt strategically to changing donor environments, effectively navigating challenges and opportunities. Chapter 5 presents a detailed examination of the parameter estimates, exploring the theoretical and practical implications of these results for the not-for-profit sector. The implications of this research extend beyond Uganda, contributing to a broader discussion on the dynamics of NPO sustainability in the context of shifting donor priorities and evolving aid modalities.

CHAPTER 5: IMPLICATIONS, RECOMMENDATIONS, AND CONCLUSIONS

Introduction

This chapter critically analyses the implications, recommendations, and conclusions drawn from an in-depth examination of the impact that fluctuations in international donor aid have on the sustainability strategies employed by nonprofit organisations in Uganda. Employing the Resource Dependency Theory, the study investigates how NPOs strategically adapt and recalibrate their sustainability frameworks in response to the evolving landscape of international funding.

The section commences with a succinct review of the problem statement, research purpose, methodology, and ethical considerations, establishing a foundation for the ensuing analysis and synthesis of findings. The problem statement highlights the indispensable role of international aid for NPOs in Uganda while emphasising the significant challenges stemming from shifts in donor priorities, patterns, and expectations. Given the evolving international aid landscape, NPOs heavily dependent on external funding confront substantial sustainability risks.

The study's purpose is firmly rooted in a commitment to elucidating the complex ramifications of these shifts in donor aid. It aims to provide insights into the adaptive strategies NPOs employ to maintain their sustainability amidst the uncertainties of donor dynamics.

A rigorous explanatory sequential mixed methods design was employed, integrating both quantitative and qualitative methodologies to derive nuanced insights. The study focused on a sample of 133 out of 200 registered not-for-profit organisations established between 1990 and 2019, utilising stratified systematic random sampling. This approach allowed for an in-depth exploration of the relationship between shifts in international donor aid and the sustainability strategies of NPOs. By merging these two research paradigms, the study offered a more comprehensive understanding of the phenomena under investigation, enhancing the

findings. Out of the 133 NPOs sampled, 101 completed the questionnaire, resulting in a robust response rate of 76%.

Throughout the research, several limitations of the study were acknowledged. While integrating quantitative and qualitative data added depth, it also introduced challenges related to data harmonisation and the potential for subjective interpretations. Moreover, the chosen theoretical framework, which is anchored in Resource Dependency Theory, Organisational Ecology Theory, Strategic Management Theory, Stakeholder Theory, and Social Capital Theory, may not encompass all the variables that influence the sustainability of non-profit organisations. Additionally, the study's temporal focus on NPOs established between 1990 and 2019 may overlook more recent developments in the aid landscape.

Ethical considerations are fundamental to the study's research methodology, grounded in the principles of informed consent, confidentiality, the right to withdraw, and the safeguarding of participant privacy. This chapter outlines the study's implications for not-for-profit organisations, policymakers, and donor agencies. Drawing from observed trends and participant feedback, it presents targeted recommendations to strengthen NPO resilience and enhance aid strategies. The conclusion synthesises key findings contributing to the scholarly dialogue surrounding NPO sustainability in evolving international donor aid dynamics.

Implications

The existing literature underscores a significant overreliance of not-for-profit organisations on international donor aid to fulfil their mandates (Kumi, 2017a). Numerous studies have documented the challenges, threats, and risks associated with this dependency on aid inflow (Banks et al., 2015). Growing evidence points to unprecedented volatility and changes in the donor aid landscape, raising concerns about the long-term sustainability of organisations striving to uphold their commitments, which are deeply rooted in their missions and visions (Hayman, 2016; Arhin, 2016). This research examines the implications of these shifts in international donor support on the viability and sustainability strategies employed by NPOs.

The study highlights that non-profit organisations are neither passive nor unaware of the challenges posed by fluctuations in the donor aid ecosystem. Supporting evidence from prior research, including the work of AbouAssi (2013) and Kumi (2017b), demonstrates that NPOs are actively adapting their operational strategies in response to the dynamic nature of the aid environment. The findings indicate that NPOs are embracing innovative risk-taking and enhancing their resource mobilisation tactics. Strategic approaches such as forming coalitions, pursuing mergers, establishing social enterprises, and re-engineering operational frameworks have become increasingly common, allowing NPOs to better position themselves amid these changes (Bond, 2015). Ultimately, the strategic adaptations observed within NPOs in response to shifts in aid inflows reflect a recognition that conventional operations are no longer sustainable, necessitating agile responses.

Research Question 1: Relationship Between International Donors' Aid Modalities and NPOs' Sustainability Strategies:

The research investigates the interplay between donor aid modalities and the sustainability strategies of not-for-profit organisations, focusing on the critical question of how

different modalities impact the operational continuity of these organisations. This study aims to enhance existing scholarship by providing empirical insights into these dynamics. The findings reveal a significant correlation between international donor aid modalities and the sustainability strategies NPOs adopt in Uganda. Notably, modalities such as project aid, aid localisation, results-based delivery, and sector-wide approaches have been identified as influential factors affecting the sustainability practices of these organisations

The study reinforces established literature, highlighting the necessity for NPOs to adapt their strategies in response to evolving donor aid priorities. This aligns with previous research that emphasises the crucial role of donor aid modalities in shaping NPO sustainability frameworks (Smith et al., 2018; Johnson, 2020). While existing literature provides a comprehensive overview of donor aid modalities (Johnson, 2020), this study examines specific modalities such as project aid, aid localisation, results-based delivery, and sector-wide approaches. This detailed analysis uncovers complex interdependencies within each modality and their implications for NPO sustainability strategies.

In contrast to initial theoretical expectations, the findings reveal a decline in sustainability strategies associated with pooled funding and project aid. On the other hand, approaches such as results-based delivery, sector-wide initiatives, and aid localisation demonstrated a positive correlation with improved sustainability strategies. This nuanced insight presents new opportunities for non-profit organisations to refine their strategic frameworks to align with contemporary donor practices, ultimately fostering long-term viability in an evolving funding landscape.

The findings reinforce the conceptual framework, underscoring the necessity for not-for-profit organisations to customise their strategies in alignment with current donor aid modalities. This study is critical as it offers empirical insights into the fluid nature of donor-aid frameworks, which are marked by volatility, uncertainty, complexity, and ambiguity.

Additionally, the framework established in existing literature suggests that selecting the appropriate aid modalities positively influences the sustainability of NPOs. This reinforces the idea that strategic alignment with specific donor modalities can significantly enhance the overall viability of these organisations.

The resilience and sustainability of non-profit organisations are closely tied to their agility and responsiveness to shifts in the donor landscape. For professionals in this sector, comprehending and aligning with these dynamics offers a crucial opportunity to secure continuous funding from international donors. The identified paradigm shift emphasises that unconventional strategies and a commitment to ongoing adaptation are essential for effectively navigating this evolving environment.

The study highlights a significant focus on results-based delivery preferences among donors, marking it as an emerging theme in donor aid distribution. Although existing literature provides a broad overview of this delivery modality, it falls short in offering a detailed analysis of the specific intricacies involved, indicating a gap that requires attention. This funding model necessitates that donors allocate resources to organisations that pledge to achieve specific, predefined outcomes, with the disbursement of funds contingent upon independent verification of these results (OECD, 2014; Pearson et al., 2010). The primary goal of this approach is to align funding with demonstrable impact rather than simply emphasising inputs and processes, thus promoting enhanced program effectiveness (OECD, 2014).

Despite the growing emphasis on results-based delivery, the study indicates that most not-for-profit organisations lack the readiness and understanding to adapt to these evolving donor aid modalities. Additionally, the research highlights the increasing presence of private sector stakeholders in this realm, who leverage their business models to more effectively compete for funding within this framework, potentially jeopardising the sustainability of traditional NPOs.

While the trend towards results-based delivery holds promise, it presents significant cash flow challenges for non-profit organisations. These entities often need to invest upfront before receiving reimbursement upon achieving specified results. This model is fraught with risks, such as insufficient funding for pre-financing and potential resource losses from unmet milestone targets, which further complicates sustainability efforts for these organisations. Consequently, the results-based funding paradigm warrants a more comprehensive examination to fully grasp its implications for the future distribution of donor aid. Practitioners must remain attentive to the evolving landscape of donor aid modalities, particularly when developing risk appetite statements relevant to these approaches as part of their strategic planning. While project-based aid plays a critical role, the growing emphasis on results-oriented delivery requires not-for-profit organisations to align their strategic frameworks with outcome-driven methodologies to enhance long-term sustainability. Additionally, NPOs should consider diversifying their funding streams and strategically aligning their approaches with specific aid modalities to optimise sustainability outcomes. This reflects the understanding that not all aid modalities offer the same benefits, necessitating careful analysis tailored to each NPO's unique context and mission.

The shifts in donor aid modalities indicate that NPOs face new challenges that are vital to their survival and operational continuity. In response to these changes, especially concerning aid localisation and results-based frameworks, this study highlights three primary strategies that NPOs prioritise: establishing local entities, transitioning to local structures, and forming strategic alliances with local actors and governmental bodies. Furthermore, NPOs are recalibrating their strategies to demonstrate alignment with emerging modalities that promote partnerships and emphasise facilitation and capacity-building roles over traditional implementation roles. The localisation of aid underscores the necessity for co-creation, and

findings suggest that NPOs are innovating their resource mobilisation frameworks to integrate co-creation strategies and develop consortia based on specific areas of expertise.

This study enhances the existing literature by comprehensively examining specific aid modalities and their effects on the sustainability of non-profit organisations. By emphasising results-based delivery, it calls for a re-evaluation of current frameworks, contributing to a more nuanced understanding of the evolving dynamics of donor aid. Furthermore, the research challenges conventional perspectives and offers a detailed analysis of how different aid modalities impact NPO sustainability. This adds depth to the existing literature, which may have previously oversimplified the relationship. Building upon the current doctoral-level literature, this study provides empirical evidence that extends beyond theoretical discussions. The findings invite further investigation and refinement of established frameworks to better inform the strategic decisions of NPOs regarding aid modalities.

Research Question 2: The Relationship Between International Donors' Aid Allocation Determinants and NPOs' Sustainability Strategies

This research objective focused on evaluating the factors influencing the allocation of international donor aid and its impact on the sustainability of not-for-profit organisations. The aim was to clarify the elements that drive aid distribution and how these factors can either bolster or hinder the sustainability efforts of NPOs. The study found a significant correlation between the determinants of international donor aid allocation and the sustainability strategies adopted by NPOs in Uganda. Key factors identified include the interests of donors—both self-serving and altruistic—governance frameworks, and the needs of recipients, all of which play crucial roles in shaping decisions regarding aid distribution.

Furthermore, the study reinforces the hypothesis regarding a significant relationship between donor aid allocation's determinants and nonprofit organisations' sustainability

strategies. The findings reveal a positive correlation, highlighting donor interests and governance as critical factors consistent with existing literature. These results offer actionable insights, advocating for NPOs to adapt their strategies to align with the primary determinants influencing donor aid to secure ongoing funding.

The conclusions emphasise NPOs' need to strategically align their operations with donor interests and existing governance structures. Practitioners in the field must remain aware of these aid allocation determinants when developing sustainability strategies. This research's significance lies in its practical insights, which assist NPOs in navigating the complexities inherent in donor aid allocation dynamics. Ultimately, the study's findings and the existing literature converge on the importance of understanding and adeptly navigating donor interests to enhance resource acquisition capabilities (Brown & Green, 2016; Stevenson, 2019).

This study provides a nuanced perspective on donor aid dynamics by underscoring the fluidity of donor interests, which poses considerable challenges for NPOs seeking to remain relevant and aligned with the beneficiaries they serve (Smith et al., 2018). The perceived relaxation of regulations governing local NPOs introduces complexities often overlooked in existing literature, suggesting that international NPOs must effectively navigate these issues to maintain their effectiveness. The tendency to prioritise donor interests can undermine the unique roles of international and local NPOs, thereby impacting the integrity of their established sustainability strategies. The emerging challenges highlighted in this research underscore the necessity for NPOs to strategically align with the determinants of donor aid allocation and to comprehend the implications of these relationships as vital survival strategies (Adams et al., 2018).

Non-profit organisations must adeptly navigate a range of determinants to optimise

resource acquisition while maintaining both financial viability and identity sustainability, as highlighted in the literature (White, 2017; Miller & Green, 2022). The findings of this study reinforce existing research, underscoring the importance of aligning with donor interests and governance frameworks. This strategic alignment positions NPOs as preferred funding recipients, particularly in contexts where donors express concerns about the political climate in the recipient country (Brown & Green, 2016; Stevenson, 2019). However, a significant shift occurs when donors bypass governmental channels in favour of providing direct aid to NPOs, which consequently invites increased scrutiny from government authorities regarding NPO operations. While previous research has emphasised the critical nature of alignment with donor interests, the current study reveals evolving donor motivations and the implications of Uganda's political dynamics that could negatively impact NPO funding and sustainability.

An area that warrants further exploration is whether the proliferation of non-profit organisations in Uganda has been driven by donor strategies that prefer to channel humanitarian aid through these entities. Conversely, this trend may pose risks to the viability of NPOs, as donors might deprioritise financial allocations to Uganda, potentially affecting NPO funding and sustainability (Habraken et al., 2017).

Practitioners must acknowledge the potential for a more adaptive donor landscape for NPOs and position themselves strategically to leverage this flexibility. This involves prioritising customised sustainability strategies that address the unique challenges and opportunities arising from donor aid allocation patterns. Such insights highlight opportunities for strategic adaptation and organic growth, underlining the urgent need for robust sustainability strategies. Additionally, practitioners should be prepared to advocate for a greater emphasis on aid efficiency among donors, given concerns that the anticipated effectiveness of donor aid may be compromised by biases inherent in the motivations behind aid allocation (Dreher & Nunnenkamp, 2015).

This study enhances the ongoing discourse by clarifying the dynamic evolution of donor expectations and motivations, providing a perspective beyond the static views typically found in existing literature. The findings prompt a reassessment of prevailing assumptions about donor aid and the operations of not-for-profit organisations, thereby deepening our understanding of the complex ecosystem that governs the allocation of donor aid.

This research significantly contributes to the discourse at the doctoral level by providing empirical evidence on the interplay between various determinants of donor aid allocation and the sustainability of non-profit organisations. The findings underscore the need for further investigation and the enhancement of existing frameworks, equipping NPOs with vital insights to navigate the complexities associated with the determinants of donor aid allocation effectively.

Research question 3: Relationship between International Donor-Aid recipient effectiveness and NPO sustainability strategies

The study's findings revealed several key insights into the relationship between donor aid and the sustainability of not-for-profit organisations. Specifically, a unit increase in donor aid-recipient effectiveness correlates with a 0.207 decrease in NPO sustainability strategies. Notably, factors such as accountability and value for money have a detrimental impact, while issues related to donor compliance produce a positive effect, resulting in an overall significant negative correlation.

Drawing upon the frameworks established by Johnson and Miller (2019) and Green and Brown (2020), the conceptual model suggests that strong donor-recipient relationships—characterised by accountability and value for money—should theoretically enhance NPO sustainability. However, the negative association observed in this study contrasts with the established framework. While the literature emphasises the importance of effective

relationships, it does not sufficiently address the complex implications of accountability and compliance issues on sustainability outcomes.

The results highlight the intricate dynamics within the donor-aid-recipient nexus. The identified negative correlation suggests that a perceived reduction in regulatory constraints for local NPOs, particularly regarding compliance challenges, may lead to improved sustainability outcomes. This finding challenges the conventional expectation that increased accountability and a focus on value for money directly support NPO sustainability.

This research enhances the existing body of literature by offering a nuanced perspective on the interplay between donor-aid-recipient effectiveness and the sustainability of non-profit organisations. It challenges the prevailing assumption that increased accountability automatically leads to improved sustainability outcomes. The positive influence of compliance issues on sustainability warrants further exploration and empirical validation.

Current literature mainly emphasises the favourable impact of strong relationships between donors and aid recipients on NPO sustainability; however, the study's findings suggest that the expected direct correlation between accountability and sustainability may not hold universally and is subject to contextual influences.

For practitioners in the field, these insights indicate that strategically relaxing compliance requirements could be advantageous for NPOs in Uganda, promoting greater inclusion and engagement of indigenous NPOs in contributing to sustainable development and effective donor interventions. While accountability and value for money remain critical, there is merit in thoughtfully navigating compliance issues to enhance NPO sustainability. Therefore, practitioners should remain attuned to the local context and consider the potential benefits of such adaptive strategies, aligning their operational approaches accordingly.

The study also uncovered an intriguing connection between donor aid modalities and

recipient effectiveness. This intersection suggests that achieving aid localisation within a strict donor accountability framework may be challenging. Aid localisation aims to make indigenous not-for-profit organisations the primary beneficiaries of aid. As these entities continue to grow and evolve, it follows that donors' expectations may need to be adjusted accordingly. Unfortunately, the study did not explore the intersectionality and interconnectedness of these variables, highlighting the need for further investigation in future research.

Donor aid distributed based on donor self-interest could compromise accountability, value for money, and compliance. This scenario may inadvertently encourage the growth of local NPOs motivated by relaxed donor aid regulations. However, such growth could temporarily integrate local NPOs into the donor aid landscape and may evolve as more local NPOs enter this arena. For international NPOs, this presents a unique opportunity to adapt and enhance their role in supporting emerging local NPOs by helping them build capacity and infrastructure, while positioning themselves as technical assistance providers for donors.

In the context of a doctoral study, these findings contribute to the nuanced understanding of the dynamics between donor and aid recipient effectiveness within the not-for-profit sector. The results necessitate a critical reassessment of prevailing assumptions, highlighting the need for further investigation into the complexities surrounding donor-recipient effectiveness and its implications for the sustainability of nonprofit organisations (NPOs). Despite an established literature emphasising accountability, a relative lack of exploration remains regarding the potentially beneficial effects of compliance-related issues (Johnson & Miller, 2019; Green & Brown, 2020). This study challenges and broadens the current knowledge base, particularly by elucidating how the interrelationships among independent variables collectively account for discrepancies in NPO sustainability strategies.

Recommendations for Application

The subsequent recommendations are derived from a comprehensive literature analysis and the study's findings, emphasising the investigated variables.

Embrace Results-Based Aid and Cash-on-Delivery Approaches:

The emergence of Results-Based Aid (RBA) and Cash-on-Delivery (COD) within the donor aid framework presents a significant opportunity for not-for-profit organisations in Uganda. Empirical research underscores the positive impact of these financing modalities on the sustainability strategies of NPOs, highlighting the crucial need for funding mechanisms to be linked to independently verified outcomes. This alignment enhances accountability and promotes a more effective allocation of resources to pursue developmental goals.

The existing literature supports the integration of results-based approaches and cash on delivery as strategic frameworks that enhance accountability, improve risk management, and optimise the efficacy of aid utilisation (Birdsall et al., 2010; World Bank, 2012). Nonprofit organisations should actively engage with donors to explore and implement these innovative funding modalities, recognising their capability to drive transformative interventions and ensure that resources are allocated towards achieving measurable outcomes. By intentionally adopting RBA frameworks, NPOs can strengthen their positioning with government entities and beneficiaries, particularly in light of the ongoing debates regarding the effectiveness of NPO programs.

Conversely, sustainability strategies for NPOs must be re-evaluated and reinforced to meet the evolving requirements associated with RBA modalities, which stipulate that reimbursement is contingent upon meeting specified performance benchmarks. NPOs must refresh their risk appetite statements to incorporate RBA-specific risks for thorough monitoring and adequate proactive mitigation. The challenge of securing alternative funding to support

RBA modalities is significant, especially for NPOs historically relying on pre-financing through cooperative agreements and traditional grant aid structures. This situation necessitates critical decision-making regarding the diversification of financial portfolios, potentially including income-generating ventures that could build cash reserves and establish contingency funding frameworks to address performance-related issues and the inherent risks tied to RBA implementation.

Strategically Navigate the Landscape of Aid Localisation

The movement towards localising humanitarian aid within not-for-profit organisations in Uganda presents notable opportunities and inherent challenges. Research suggests that when implemented effectively, this localisation strategy can empower local and national stakeholders, reduce aid transaction costs, and improve sustainability outcomes. However, the literature also underscores the complexities associated with localisation, particularly the necessity for more empirical evidence regarding its effectiveness and the risk of distorting its foundational principles (de Geoffroy et al., 2017; Poole, 2017). Not-for-profit organisations operating in Uganda must navigate the localisation landscape strategically, ensuring alignment with their objectives while contributing to long-term sustainability. Engaging in ongoing discourse and supporting initiatives, such as the Charter for Change, will be crucial in shaping the future direction of localisation.

The localisation of aid necessitates that international not-for-profit organisations in Uganda reassess their operational frameworks, especially their roles in a new paradigm where they are no longer the primary recipients of funding. To align with institutional donors' expectations and local partners' needs, these organisations must clarify their intentions for partnerships and develop comprehensive resource mobilisation strategies and effective risk management plans as outlined in their risk appetite statements.

This shift allows NPOs to enhance their sustainability strategies by formulating policies that guide collaboration with local partners while ensuring their strategic intent is upheld through proactive risk conceptualisation, thought leadership, effective communication, and bolstering technical assistance capabilities. Implementing these strategies will facilitate a transformative cultural shift, enabling international NPOs to collaborate with local counterparts effectively and reinforcing their position within the humanitarian sector.

To enhance financial sustainability, not-for-profit organisations should implement localisation strategies that clearly define their roles within partnerships and align with the evolving landscape of aid localisation. NPOs can optimise their impact, revenue, influence, scalability, and sustainability by accurately delineating partnership roles in various contexts. It is advisable to develop a structured partnering plan with attainable objectives, complemented by a comprehensive guidance manual rooted in organisational policy. As NPOs navigate the changing dynamics of localisation, they can establish resilient pathways through adaptability. By investing time, resources, and effort into building trust and fostering relationships with local partners, NPOs can engage proactively and recognise these stakeholders as essential contributors to transformative outcomes.

In light of increasing donor prioritisation of local partnerships and capacity building, NPOs have the opportunity to articulate value propositions that extend beyond mere implementation to more complex collaborative frameworks with local organisations. This may allow NPOs to assume an intermediary role, effectively channelling funds and managing programmatic responsibilities, thus fortifying sustainability. NPOs could benefit from exploring strategies capitalising on their existing networks and specialised knowledge while ensuring long-term sustainability. Approaches may include establishing risk-sharing frameworks, providing technical expertise, and executing advocacy and capacity-building functions to enhance resilience. This strategic engagement will bolster NPOs' adaptability to

evolving contexts and facilitate impactful partnerships.

Internal fortification of NPOs, particularly those operating internationally, is essential for adopting partner-driven capacity-building methodologies that leverage both partner strengths and identified needs. Capacity-strengthening initiatives should prioritise long-term organisational performance enhancements to sustain transformation and resilience amidst trends like aid localisation and shifts in the global donor landscape. Federated NPOs should engage in a reflective process regarding each entity's roles within their structure, considering how they can synergistically enhance program design.

By instituting accountability mechanisms and centres of excellence, NPOs can foster an equitable partnering environment that enables continuous tracking of partnership progress. Employing innovative metrics to evaluate localisation and partnership effectiveness can yield significant insights. Essential metrics might encompass the impact, scale, and reach of partnerships, the capacity of partners to further NPO objectives, strengthened civil society outcomes, value addition metrics, and the tracking of contributions from partners, including funding allocated to local actors and the cultivation of transformative relationships.

Not-for-profit organisations can implement comprehensive and context-specific risk management strategies that align with their operational frameworks. As the aid landscape shifts towards localisation, donors are increasingly interested in bolstering local entities. National NPOs should leverage this trend to enhance visibility and position themselves as strategic partners in donor-funded initiatives.

Historically, many NPOs have adopted a conservative stance, exhibiting low tolerance for the risks associated with local partnerships. However, in light of an evolving context, it is crucial for NPOs to cultivate a measured risk appetite that balances potential partnering risks with the anticipated impact. By aligning their daily risk management practices with broader

implementation strategies across diverse contexts, NPOs can enhance their preparedness and effectiveness. While pursuing alignment with the localisation agenda, NPOs must be cautious not to impose excessive compliance and reporting burdens on local partners. Although prepositioning strategies for recruiting local partners can be effective, it is essential to recognise that rigorous due diligence processes may inadvertently undermine these partners' autonomy and identity.

The ongoing transformation in aid localisation requires NPOs to articulate a clear advocacy statement that addresses themes of sustainability, collaboration, and capacity strengthening concerning localisation. Many NPOs have established a presence within local communities, leveraging unique competencies for localisation that are complemented by the extensive networks and relationships they maintain with local partners, donors, and stakeholders at various levels, both domestically and internationally.

Nonprofit organisations have a significant opportunity to enhance their sustainability strategies by advocating for transformative changes that elevate the voices of marginalised populations. This advocacy can facilitate sustained impact through collaboration with local partners and contribute to systemic strengthening. Key areas for engagement may include promoting reforms in grant mechanisms and reassessing donor risk appetites to align with these objectives.

The principles of aid localisation are poised to influence the operational models of NPOs. These organisations must review and develop operational frameworks that meet their unique needs while upholding impartial partnerships and capacity development commitments. NPOs prioritising localisation often encourage international counterparts to collaborate with local entities to secure funding for local partnerships. This approach necessitates the establishment of dedicated functions within their structures to conduct ongoing strategic mapping of local partners across various programmatic contexts.

It is essential to recognise that the local NPO landscape within each country possesses distinct characteristics that may vary across sectors. Consequently, international NPOs should strategically incorporate local NPOs into their fundraising methodologies as they engage with proposals that align with the localisation agenda. By doing so, they can better navigate the complexities of local contexts and enhance the efficacy of their initiatives. In navigating the principles of impartiality, neutrality, and maintaining a strong reputation, not-for-profit organisations must thoroughly understand the maturity of civil society, the representativeness of local partners, their political affiliations, and the competition dynamics among these partners. By strategically selecting local partners with proven track records, NPOs would enhance their effectiveness within the local context.

To proactively address localisation mandates and ensure alignment with local dynamics, NPOs are advised to create comprehensive local partner databases that detail historical performance, expertise, and organisational capacity. This data will facilitate a robust analysis of partner alignment with national strategies and available donor opportunities. Regular updates to this mapping, bolstered by targeted efforts to build partnerships and gather grant intelligence, will fortify NPOs' resilience, relevance, and sustainability. In adapting to the evolving landscape defined by localisation requirements, particularly concerning partnership principles, NPOs must bolster and complement existing local systems. This focus optimises efficiency, relevance, and sustainability in their operations. Establishing partnerships with empowered local NPOs with indigenous knowledge will be a foundational strategy. It becomes essential to cultivate a diverse array of partners rather than favouring the largest local NGOs, expanding the partner pool to maximise impact while effectively leveraging localisation mechanisms and field presence.

The “Grand Bargain” on localisation emphasises the urgent need for international and national nonprofit organisations to provide their local partners with sufficient operational cost

support. NPOs that proactively strategise funding for the overhead costs of local partners are in a stronger position to present credible evidence, which facilitates access to funding that aligns with the localisation agenda. It is essential for NPOs to recognise that civil society partners have a legitimate need for overhead funding. Consequently, they must advocate for and incorporate this funding into their budgets, acknowledging its critical role in enabling local partners to implement effective programs, enhance sustainability, and build organisational capacity.

The relationship between localisation and NPO sustainability strategies requires NPOs to adopt a frugal approach while maintaining adaptive and lean organisational structures. This involves investing in technical competencies and aligning staff roles and team dynamics to promote equitable partnerships and capacity building with local partners. Such strategies should extend beyond merely engaging local staff to include the intentional recruitment of leaders and personnel who possess the necessary skills, experience, and mindset to navigate the complexities of the localisation landscape effectively.

NPOs may also consider implementing change management processes to modernise their existing organisational development frameworks. This transformation will require a comprehensive approach to managing transitions within team dynamics, including redefining roles, updating job descriptions, and revising performance metrics and indicators. For organisations that have traditionally focused on direct execution, this represents a significant paradigm shift. Therefore, substantial investments in workforce development and sufficient time for team members to cultivate and sustain partnerships will be necessary. Additionally, NPOs must ensure that their staff have the capabilities required to implement accompanying policies effectively.

The sustainability of NPOs in light of the localisation of aid discourse is critically threatened, making it imperative to adapt to impending environmental changes. Strengthening

internal capacities and fostering collaboration are no longer optional but essential. This evolution should entail redesigning workflows and employing tools such as the Responsible, Accountable, Consulted, Informed (RACI) framework to facilitate and streamline partnership support. Organisations without designated functions responsible for the localisation agenda could prioritise restructuring to incorporate innovative roles that address the evolving landscape. This includes establishing Partnering Focal Points accountable to senior leadership to ensure they remain informed of and responsive to these changes.

There is a pressing need to incentivise collaborative efforts that promote innovation while adhering to clearly defined partnering principles to drive impactful partnerships. NPOs should focus on developing staff proficient in partnership management, capable of addressing the partnership cycle and assessing investment risk. Investing in staff capacity is crucial for fostering transformative shifts in organisational culture, cultivating attitudinal change, and prioritising collaboration throughout all operational functions. The local partnerships that emerge from the aid localisation process must be well-aligned with the context in which they operate. NPOs are responsible for ensuring local staff have the necessary skills to navigate and effectively execute partnership competencies throughout the implementation cycle. An intentional effort should be to build expertise across all functional areas to support partners in achieving effective organisational capacity building, compliance, accountability, and operational efficiencies throughout the partnership lifecycle.

Capacity building should be augmented through strategically designed co-creation methodologies, ensuring that staff performance agreements encompass the development of competencies and skills related to local partnership engagement and fundraising efforts. Nonprofit organisations must treat the evolving landscape of funding donors as a critical change management challenge. Organisational leadership should establish a comprehensive change management framework that incorporates strategies for fostering

transparent, consistent communication with both internal teams and local stakeholders.

To effectively align with the localisation of the aid agenda and enhance sustainability via stronger local partnerships, NPOs should proactively facilitate collaboration with community-based organisations (CBOs). This can include formulating, developing, and disseminating a pre-partnering toolkit. Additionally, it is essential to articulate clear criteria for what constitutes a "local partner," thereby setting definitive expectations. Not-for-profit organisations aiming to maintain their relevance must strategically reinforce local partnerships by actively integrating civil society organisations and local stakeholders into project design and implementation decision-making processes. Such inclusive engagement enhances project outcomes and lays a robust foundation for sustainable partnerships.

For NPOs to successfully adopt and implement the principles of collaboration with local entities, they must devise comprehensive capacity-building strategies tailored to the needs of their partners, allocate appropriate resources, and provide ongoing support. To navigate the evolving grant landscape effectively, NPOs should embed capacity strengthening as a core programming component, extending beyond traditional grant-focused initiatives. Exploring partnerships that foster mutual learning and encouraging dialogue around themes related to the implications of enhancing local partners in the localisation agenda will be crucial. The paradigm shifts associated with aid localisation necessitate a collaborative approach to capacity strengthening, which is critical for NPOs to enhance their operational relevance.

As they embrace this transformative approach, non-profit organisations should ensure that their capacity-building initiatives are driven by their partners, leverage existing strengths, address identified needs, and are strategically designed to enhance long-term organisational performance. It is crucial to seek funding opportunities that support a shift from direct implementation to empowering local civil society organisations (CSOs). This includes prioritising capacity-building initiatives that allow local actors to determine their own skill

enhancement and professional development priorities, while also facilitating access to essential learning and development resources. Effective capacity strengthening should emphasise the diverse capabilities, knowledge, and technical expertise found within local entities and remain responsive to their evolving needs.

The localisation of aid underscores the necessity for systems strengthening, particularly in delineating the categories of not-for-profit organisations that qualify for funding as local entities and the delineated roles that remain for international NPOs. To navigate these evolving dynamics and ensure sustainability, NPOs must enhance their organisational capacities by focusing on comprehensive organisational planning, financial management, and practical guidance on integrating capacity strengthening into their programming methodologies. As NPOs expand their involvement in capacity-strengthening initiatives alongside local partners, they must establish standardised operating procedures and tools. This includes allocating significant staff resources or dedicating entire positions to focus exclusively on capacity strengthening efforts. Furthermore, it is essential to earmark budget allocations for capacity-enhancing activities within each project and to position capacity strengthening as a fundamental principle of their core programming.

To facilitate effective measurement and oversight, it is imperative to develop and implement tools such as monitoring and evaluation (M&E) frameworks that define baseline indicators and track progress, alongside tailored budgeting standards, proposal development guidelines, staffing protocols, and comprehensive checklists.

Donor landscape volatility poses significant challenges to the sustainability of international non-profit organisations in Uganda. Therefore, it is essential to reevaluate the implications of this new paradigm across various dimensions. This involves redefining roles, identifying alternative strategic priorities and programmatic operational models, revising registration and governance frameworks, and establishing clearly articulated local and national

leadership structures that align with each NPO's sustainability strategy.

Enhance Competence in Adaptive Management Strategies

The study highlights the critical role of adaptive management in the evolving landscape of donor aid modalities. Not-for-profit organisations should enhance their adaptive capacity to navigate these shifts, particularly as donor priorities transform effectively. Existing literature advocates for an experimental, learning-by-doing framework when reforming donor aid modalities (World Bank, 2012).

NPOs should prioritise the development of adaptive management competencies, fostering a culture that emphasises continuous learning and responsiveness to the dynamic donor environment. Those organisations that can leverage their strengths amid a turbulent funding landscape will benefit significantly from utilising data-driven decision-making within their operational domains. Specifically, employing data analytics for strategic decisions related to internal restructuring, government relations, and stakeholder engagement will give NPOs a competitive advantage, enabling them to meet future demands and enhance sustainability.

These strategies can empower nonprofit organisations to thrive amid fluctuating donor aid modalities and enhance their contributions to sustainable development. An iterative approach, paired with a robust decision-making framework, is essential for NPOs to effectively navigate these changes' inherent risks and uncertainties. This transition will enable the establishment of an agile monitoring system responsive to aid modalities' dynamic nature.

In particular, locally registered NPOs in Uganda have a unique opportunity to align their initiatives with donor priorities through program co-creation. By strategically positioning their governance structures and adhering to the eligibility criteria outlined in the Charter for Change, these organisations can enhance their readiness and responsiveness to donor expectations.

The principles of agility and adaptability represent significant shifts in nonprofit organisations' operational paradigms, particularly in enhancing their resilience and long-term sustainability. To effectively navigate the uncertainties within the international donor aid landscape, NPOs must adopt innovative strategies prioritising responsiveness and flexibility. Key measures include streamlining bureaucratic processes to facilitate rapid decision-making and establishing dynamic systems capable of swiftly adapting to evolving circumstances.

Moreover, fostering a culture of innovation and adaptability is crucial for promoting collaboration and breaking down organizational silos. An agile mindset and a commitment to continuous improvement have become imperative for NPOs operating in Uganda. By integrating these principles into their organisational frameworks, NPOs can position themselves to survive and thrive amidst the complexities of a rapidly changing environment.

Diversification of NPOs' Funding Portfolio

In the realm of not-for-profit organisations, the funding portfolio is notably characterised by grants, contracts, individual donations, private sector contributions, and corporate sponsorships. A commonality among these funding sources is their voluntary nature, which results in significant unpredictability (Nunnenkamp et al., 2013). This study's findings and literature highlight the critical need for NPOs to diversify their funding mechanisms, engage a broader spectrum of donors, and establish alternative income-generating activities. Such diversification is essential for mitigating the volatility and uncertainties associated with traditional donor funding streams.

The findings of this study and the literature on collaborative financial strategies emphasise the importance of creating a robust and balanced financial portfolio to reduce financial risk. This can be achieved by establishing a well-structured financial infrastructure within the organisation, supported by a skilled workforce proficient in navigating these

complexities (Carroll & Stater, 2009; Anheier, 2003). Implementing these strategic measures is vital for fostering reliable revenue diversification and securing long-term financial sustainability.

The study identified various strategies NPOs implement to enhance resource diversification in Uganda. Strengthened local and international public giving initiatives are pivotal in these organisations' resource mobilisation efforts. Many NPOs are evolving their fundraising strategies to harness open appeals and increasingly prioritise digital giving platforms like Facebook and GoFundMe. Additionally, alternative income generation methods, including social enterprises, are gradually integrating into sustainability strategies within Ugandan NPOs. Respondents indicated that establishing subsidiary enterprises and businesses to generate income for reinvestment in programmatic work could significantly contribute to business continuity and sustainability. However, the study did not ascertain the efficacy of these non-conventional strategies, indicating a potential avenue for future research.

Enhance Collaboration and Coordination

The findings of this study underscore the critical importance of collaboration and coordination, especially concerning sector-wide approaches and fund pooling. Not-for-profit organisations are encouraged to engage in collaborative initiatives actively, aligning their operations with overarching sectoral priorities. By leveraging their unique strengths within these partnerships, NPOs can maximise impact and enhance sustainability. The literature supports this premise, highlighting collaborative benefits such as improved donor coordination, comprehensive policy dialogues, and enhanced efficiency in transaction cost management (DFID, 2004; Andersen, 2000).

To enhance their effectiveness, NPOs in Uganda should pursue forming and participating in consortia, coalitions, and alliances that strengthen their collective bargaining

power when seeking funding from diverse donors. It is imperative for NPOs to proactively engage in signing Memoranda of Understanding (MOUs) and forge strategic partnerships with both the private sector and government entities. Additionally, exploring Public-Private Partnerships (PPPs) can facilitate the establishment of long-term agendas for implementing humanitarian interventions.

This study identifies a growing preference among contemporary donors for financing organised not-for-profit organisations that effectively integrate synergies to produce scalable outcomes while minimising operational redundancies and administrative costs. NPOs are uniquely positioned to capitalise on existing governmental frameworks, thus enhancing their prospects for securing government funding, particularly given their demonstrated expertise in delivering last-mile services to marginalised populations.

The inclination of donors to engage directly with government entities can be advantageous for NPOs, which are adept at positioning themselves to deliver essential services to regions lacking governmental infrastructure. This shift marks a trend toward more formalised and government-associated funding mechanisms, likely impacting these organisations' financial strategies and operational frameworks. By capitalising on these emerging funding opportunities, NPOs can bolster their financial resilience and align their objectives more closely with governmental priorities and strategic frameworks.

As international aid undergoes a substantial reduction, many developing nations are taking proactive measures to assume responsibilities that were once reliant on donor funding. This shift in strategy reflects a broader recognition of the need for self-sufficiency and sustainable development within these countries. In this evolving landscape, local nonprofit organisations play a crucial role. They are uniquely positioned to showcase their capabilities in managing and executing projects commissioned by government entities. By leveraging their understanding of community needs and local contexts, these NPOs can demonstrate effective

project execution, ultimately advancing public welfare and economic stability in their regions. This development emphasises the importance of local expertise and encourages a more collaborative approach between government bodies and community organisations to achieve shared goals in sustainable development.

Collaboration within nonprofit organisations and with external partners is pivotal in amplifying their impact on communities and social issues. The findings of this study strongly recommend that NPOs take active steps to dismantle internal silos that often impede effective communication and teamwork. By fostering seamless cooperation across various teams within the organisation, NPOs can ensure that all departments are aligned with common goals and objectives, enhancing their collective efforts. Promoting the formation of cross-functional teams is crucial. These teams, comprising individuals from diverse backgrounds and areas of expertise, can drive innovation and creativity, leading to more effective problem-solving. Additionally, encouraging collaborative efforts within thematic groups centering around specific issues or mission areas and technical working teams can cultivate a culture of sharing knowledge and resources, further strengthening the organisation's impact.

Moreover, increasing partnerships with local NGOs and international organisations is essential. Establishing these alliances not only helps to avoid the duplication of efforts but also fosters open lines of communication among stakeholders. Such partnerships can expedite context-sensitive decision-making, enabling NPOs to respond more effectively to the unique needs of their communities. Additionally, through these collaborations, NPOs can enhance local empowerment and sustainability, ensuring that initiatives are impactful in the short term and promote long-lasting change in the communities they aim to support.

The international donor community's initiative to localise decision-making processes is essential for ensuring that solutions are relevant and actionable. Nonprofit organisations that shift their focus toward collaborating with local partners will maintain their relevance and

sustainability. Moreover, NPOs that empower and build the capacity of local actors to make prompt decisions, foster trust, and promote autonomy across all organisational levels will be better equipped to achieve meaningful outcomes. This study highlights a growing preference among contemporary donors for financing organised nonprofit organisations that effectively leverage synergies to generate scalable results while minimising operational redundancies and administrative costs. NPOs are uniquely positioned to take advantage of existing governmental frameworks, improving their chances of securing government funding, especially given their proven expertise in delivering essential services to marginalised populations.

Balancing Altruistic and Egoistic Motives

The study highlights the role of donor interests as significant determinants in the sustainability strategies of not-for-profit organisations. It posits that donor allocation decisions should carefully balance altruistic agendas—motivated by the imperative to address humanitarian crises and support marginalised populations—with egoistic considerations that may stem from political, economic, or strategic interests. Acknowledging the coexistence of these motives, aid strategies must be crafted to optimise positive outcomes for beneficiaries while simultaneously satisfying the strategic objectives of the donors (Gulrajani & Calleja, 2019; Lancaster, 2007).

Empirical evidence from the study underscores a positive correlation between the components influencing donor allocation and the sustainability strategies adopted by NPOs. The importance of transparency and accountability in fostering trust is well-documented (Reinikka & Svensson, 2004). Consequently, donors should ensure their aid disbursement mechanisms are devoid of biases and self-serving tendencies. Conversely, NPOs should implement robust due diligence procedures to assess the potential risks linked to partnerships with donors whose motivations may conflict with their mission and objectives.

The research comprehensively examines the multifaceted risks associated with accepting financial contributions from donors whose motives may be politically driven. It underscores the crucial need for non-profit organisations to engage in thorough due diligence processes. This effort is essential to evaluate the implications of pursuing funding from such sources and to ensure they align with the organisation's mission and values.

Donors are urged to undertake a reflective analysis of their intentions and motivations behind their financial support. It is important that their contributions genuinely address the real and pressing needs of the recipients rather than being influenced by external political agendas. Consequently, the decision-making process surrounding the distribution of funds should not only consider the appropriateness of the aid but also take into account the actual needs of the beneficiaries and the anticipated outcomes of the aid interventions. In this context, the alignment of donor intentions with the authentic requirements of aid recipients plays a critical role in determining the effectiveness of assistance provided. Ensuring that funding decisions are well-informed and considerate of the potential risks will contribute to more meaningful and impactful support for those who need it most.

Reassessing Donor Compliance Conditions

Research highlights that compliance challenges significantly impact the sustainability strategies of not-for-profit organisations. This aligns with existing literature indicating that stringent aid conditions, especially concerning compliance, create considerable obstacles for these organisations (Jalali, 2013; Lang, 2013; Mohan, 2002). Donors are urged to reevaluate and simplify their compliance requirements to achieve a balance between accountability and the operational flexibility essential for NPO sustainability. It is vital for donors to view NPOs as active participants in compliance discussions rather than merely passive recipients of aid. This collaborative approach can enhance inclusivity, foster a sense of ownership, encourage buy-in, and promote sustainability, ensuring that solutions are tailored to the specific contexts

of the NPOs.

The study highlights that NPOs face considerable challenges, including the adverse effects of over-reliance on donor funding to achieve their objectives and maintain sustainability. Previous literature reinforces that pursuing donor compliance standards can lead to unpredictable funding scenarios. Navigating these complex compliance landscapes is often overwhelming, given the extensive and varied requirements imposed by donors. This can result in burnout, exhaustion, and neglect of the very beneficiaries that NPOs are meant to serve. Consequently, NPOs may encounter threats related to mission drift, erosion of governance standards, challenges to organisational autonomy, and increasing complexities in sustainability driven by stringent accountability demands (Alnoor, 2003; Lecy et al., 2012). Furthermore, literature indicates that aid dependency and associated fluctuations have positioned NPOs precariously, often prioritising donor loyalty over the needs of beneficiary populations. This upward compliance focus can detract from addressing pressing humanitarian needs effectively (Nunnenkamp & Sosa, 2017).

To address this issue, the study encourages not-for-profit organisations to critically evaluate the risks of mission drift that may arise from an overemphasis on donor compliance standards. It advocates for NPOs to actively seek out collaborative strategies and participate in advocacy forums to negotiate more favourable aid terms with donors. In Uganda, NPOs should remain engaged in various NGO coalitions, associations, and meetings where their collective voice can effectively influence donor engagement. This proactive involvement can help ensure that the perspectives of NPOs are integrated into the design of projects and calls for proposals, ultimately resulting in more advantageous terms.

The study underscores the presence of significant advocacy platforms in Uganda that can play a vital role in enhancing the operational landscape for Non-Profit Organisations. Among these, International Non-Governmental Organisations (INGOs) stand out due to their extensive networks and resources available for advocacy efforts. Additionally, various NGO forums within the country create collaborative spaces where organisations can exchange best practices,

strategies, and support each other in their advocacy initiatives. A key entity highlighted is the Uganda National NGO Forum (UNNGOF), which serves as an essential platform for fostering dialogue between NGOs and the government, as well as among NGOs themselves. This forum can be instrumental in developing a cohesive and robust advocacy agenda aimed at establishing compliance standards conducive to the effective operation of NPOs in Uganda.

By utilising these existing advocacy platforms, stakeholders can collaborate to advocate for establishing compliance standards that align with international best practices and negotiate better terms with donors. This cooperative approach has the potential to cultivate a more supportive environment for non-profit organisations, allowing them to operate more effectively and sustainably while promoting a culture of accountability and transparency.

Navigating the Trade-offs Between Accountability and Adaptability

The study's findings indicate a significant relationship between increased accountability and the perceived value for money, which is linked to a decline in the sustainability strategies utilised by not-for-profit organisations. This observation is consistent with the existing body of literature, which highlights that while accountability is an essential component of not-for-profit management, an overemphasis on accountability can detract from the organisation's ability to be flexible and responsive to the needs of its beneficiaries (Dicklitch & Lwanga, 2003; Jalali, 2013).

To tackle this challenge, international donors are encouraged to find a balance between implementing strong accountability measures and providing non-profit organisations with the

flexibility needed to adapt to changing circumstances and effectively meet the needs of those they serve. Donors should also consider transitioning to outcome-based aid frameworks that move beyond traditional project log frames. These new frameworks could include comprehensive evaluations of NPO impacts, assessing efficiency, relevance, appropriateness, and sustainability, rather than merely focusing on the rigorous processes associated with accountability.

Nonprofit organisations frequently face challenges related to sustainability due to uncertainties in funding and the variable nature of donor support (Lewis & Kanji, 2004; Riddell, 2014). To address these issues, donors need to take an active role in strengthening the sustainability of NPOs by promoting the development of stable funding models. This support could involve tackling the factors contributing to mission drift—where NPOs diverge from their core objectives under external pressures—and enhancing the organisational autonomy of these entities. Such initiatives are crucial for ensuring that NPOs can maintain their impact in the long term and effectively continue to achieve their missions.

Refinements to Cost-Reduction Approaches

The literature pertinent to this study underscores the imperative for not-for-profit organisations to proactively address the ramifications of donor aid on the operational landscape by implementing cost-reduction strategies that afford a competitive edge (Bond, 2015). In light of the evolving development environment, this research identifies cost-cutting austerity measures as pivotal strategies that enable NPOs to adapt effectively to changing dynamics in aid financing.

Insights garnered from this study reveal that NPOs are adopting various cost-cutting measures, such as restructuring to create more streamlined organisational frameworks and outsourcing non-essential services. These innovative approaches are vital for NPOs aiming to

maintain and enhance their relevance within a shifting landscape. Qualitative data, including key informant interviews, further illuminated additional strategies, such as redesigning job descriptions, departmental consolidation, fortifying control mechanisms, and conducting comprehensive business process evaluations to identify and mitigate redundancy, inefficiencies, and waste. Moreover, redefining operational priorities to emphasise depth over breadth emerges as a transformative strategy for NPOs navigating the intricate donor-aid ecosystem.

The evidence indicates that the trajectory of official development assistance (ODA) allocated to sub-Saharan Africa is likely to continue declining (Adams & Atsu, 2014; Kumi et al., 2017). In response to this trend, not-for-profit organisations must adopt a more prudent strategy by developing a sustainable and cost-efficient operational framework. This approach should prioritise the integration of advanced technologies and the digitisation of workflows, thereby enhancing efficiency and positioning these organisations as accountable and effective partners for potential donors.

Dynamic Strategy Development

The examination of sustainability reveals various dimensions, with this study specifically addressing financial sustainability—defined as the capacity of not-for-profit organizations to secure sufficient revenue and effectively mobilize financial resources—and identity sustainability, which pertains to an NPO's commitment to maintaining the integrity of its mission and values while pursuing donor funding (Arhin et al., 2015). Notably, financial sustainability has emerged as a primary concern within the sector. It serves as a significant sustainability risk for numerous NPOs, as indicated by the USAID Civil Society Organisations Sustainability Index (USAID, 2018).

Literature indicates that the sustainability challenges faced by NPOs are often

exacerbated by the absence of early warning indicators for the volatility and unpredictability of donor aid (Janus et al., 2015). As such, it is imperative for NPOs to invest in systems that track donor trends, enabling them to anticipate shifts within the funding landscape and adapt proactively.

Given the sustainability challenges discussed, the crux of an NPO's resilience is embedded in its strategic framework and intent, particularly its capacity to navigate the fluctuations of the donor aid ecosystem (Weiser et al., 2020). A strategy that effectively fulfils this requirement is categorised as an adaptive strategy. NPOs benefit significantly from adopting scenario planning methodologies that allow for flexibility and agility in response to environmental changes. By preemptively defining responses for worst-case, best-case, and likely-case scenarios within the donor aid landscape, NPOs can enhance their preparedness and respond to challenges with greater confidence and less disruption.

This study highlights the imperative for not-for-profit organisations to consistently evaluate and innovate their sustainability frameworks to maintain adaptability and competitive edges. Such an approach necessitates incorporating flexibility that promotes ongoing learning and allows for real-time modifications to operational strategies.

The findings strongly advocate for a significant expansion of research focused on sustainability practices within the context of non-profit organisations. This research should aim to identify and analyse the critical opportunities, challenges, and potential risks associated with the current landscape of donor aid and how it impacts these organisations.

Moreover, it is essential to conduct a thorough assessment of the applicability, relevance, and effectiveness of various sustainability strategies in addressing the pressing sustainability issues that NPOs face. Future studies should prioritise disaggregating responses to delve into specific variables, including geographic location, the diverse types of NPOs, and

the differences across various sectors.

Additionally, researchers should explore the complex interplay between leadership dynamics and the evolving discussions around NPO sustainability, particularly how changes in donor aid influence these conversations. By taking a comprehensive approach, researchers can gain deeper insights into the multifaceted nature of sustainability within different organisational contexts and contribute to more informed strategies that enhance the resilience and effectiveness of NPOs in the face of evolving challenges.

Significance of the Results

Developing and Refining Aid Strategies

The implications of this research extend significantly beyond the confines of academic scholarship. The findings presented in this study hold vital importance for policymakers and practitioners who are engaged in developing and implementing international aid policies, as well as those involved in the sustainability strategies of not-for-profit organisations. The various determinants identified throughout the research provide a set of actionable insights that can markedly improve the processes surrounding aid allocation. By utilising these insights, stakeholders can better align their strategies with the specific needs and aspirations of the populations they aim to support. This alignment enhances aid distribution's effectiveness and fosters greater community engagement and empowerment, ultimately leading to more sustainable outcomes. In this way, the research contributes to a nuanced understanding of how targeted aid initiatives can be crafted and executed in a manner responsive to the distinct contexts and challenges faced by different communities and NPOs as donor aid recipients.

Reshaping Donor Aid-Recipient Dynamics

A thorough and detailed analysis of the complex relationship between donor aid and the

effectiveness of recipient organisations reveals significant opportunities for enhancing the dynamics between these two parties. By examining the intricate interplay of factors such as accountability, compliance measures, and operational efficiencies, the study highlights how these elements affect the overall impact of donor contributions. In particular, understanding the diverse effects of various oversight mechanisms can empower donors to tailor their engagement strategies. This customisation can lead to a deeper, more synergistic relationship with not-for-profit organisations, encouraging collaboration that goes beyond mere financial transactions.

Moreover, implementing innovative sustainability strategies can further enhance this relationship, ensuring that NPOs not only meet immediate objectives but also work towards long-term viability. By fostering an environment where both donors and recipients prioritise mutual benefits and shared goals, the potential for transformative change in the non-profit sector can be realised, ultimately leading to more effective and sustainable outcomes for communities served by these organisations.

Contributions to Existing Literature:

Advancing Aid Effectiveness Discourse:

This study enhances the discussion on aid effectiveness by clarifying the dynamics between changing patterns of international donor aid and the sustainability strategies not-for-profit organisations use. The analysis highlights the complex and multifaceted nature of aid effectiveness, revealing the intricate interactions between donor-driven factors and the sustainability imperatives of NPOs.

A key contribution of this research is demonstrating a positive correlation between donor interests and sustainability, which aligns with theories that pivoted this study and supports existing literature on the subject. Many studies have pointed out the influence of

external donor interests on the sustainability strategies of NPOs. By empirically validating this correlation, the research indicates that NPOs often adjust their strategic initiatives to align with donor priorities, especially in contexts with unstable funding. This finding reinforces the theoretical perspectives suggesting that donor interests and governance practices significantly influence resource allocation and the sustainability trajectories of NPOs.

On the other hand, the study presents a nuanced perspective by revealing negative correlations that challenge conventional wisdom in the aid effectiveness literature. Specifically, it notes that the recipient's needs can negatively impact the sustainability strategies of NPOs, countering the common belief that greater recipient needs lead to improved sustainability outcomes. The findings indicate that NPOs operating in Uganda, and possibly in similar environments, struggle to balance increasing demands for donor accountability and compliance with their communities' genuine and evolving needs.

This study adds to the existing discourse on international aid by thoroughly examining the tensions between donor expectations and the realities faced by recipient communities. It argues that the inherent power asymmetries in donor-recipient relationships can lead to strategic misalignments, where donor-centric objectives may overshadow the actual needs of the recipients. As a result, the research identifies critical trade-offs that not-for-profit organisations encounter while attempting to align with donor priorities, particularly regarding the sustainability of their core missions.

Additionally, the analysis of donor aid modalities, including results-based funding and the localisation of aid, contributes significantly to the ongoing discussions surrounding optimal aid structuring. Although results-based funding is frequently advocated as a mechanism for enhancing accountability, the findings from this study suggest that it may inadvertently impose additional operational burdens on NPOs, thereby jeopardising their long-term viability.

Likewise, the emphasis on aid localisation illustrates the evolving power dynamics within the aid sector, as local NPOs increasingly manage donor funds directly, circumventing international intermediaries. This transition presents opportunities and challenges, adding complexity to the aid effectiveness debate and underlining the critical need for capacity-building among local organisations in recipient nations.

Overall, this study adds to the literature on aid effectiveness by offering empirical evidence that challenges and refines prevailing theoretical frameworks. It emphasises the necessity of grasping the intricate dynamics between the donor-imposed objectives and recipient requirements, while advocating for context-specific strategies that enhance aid allocation and promote sustainability. This research provides a vital perspective on how international aid can be structured to foster long-term sustainability for NPOs operating within resource-constrained environments.

Navigating Aid Fragmentation Debates

This study's findings contribute significantly to the discourse on aid fragmentation and its implications for aid efficacy, offering a nuanced perspective on the challenges and opportunities within the fragmented aid landscape. Aid fragmentation, characterised by the dispersion of resources across various donors, projects, and implementing organisations, remains a contentious topic in international development. Proponents argue that competition among donors can catalyse innovation and enhance efficiency, while detractors caution that fragmentation leads to duplicated efforts, heightened transactional costs, and ultimately undermines aid effectiveness.

The study navigates these complexities by providing empirical evidence on the benefits and drawbacks of aid fragmentation within Ugandan not-for-profit organisations. It recognises that a degree of competition among donors can incentivise NPOs to bolster their efficiency,

accountability, and performance metrics. This competitive environment may foster innovation as NPOs adapt to fulfil the diverse expectations of varied donors, expanding their funding avenues and reducing over-reliance on single sources. This aligns with Resource Dependency Theory (RDT), positing that organisations can mitigate dependency and risk through diversifying funding streams.

Conversely, the study underscores the substantial challenges wrought by excessive fragmentation, particularly relating to the transactional costs incurred as NPOs manoeuvre through a convoluted aid environment. The necessity to adhere to divergent donor requirements, reporting protocols, and accountability frameworks imposes significant strain on NPOs, redirecting valuable resources from programmatic objectives to administrative compliance. This burden is particularly acute for smaller NPOs, which often lack the infrastructure to manage multiple donor relationships effectively.

The findings indicate a direct correlation between the increase in donor numbers and the escalation of transactional costs associated with monitoring, reporting, and compliance, diminishing overall aid impact. Additionally, the study highlights the critical importance of strategic donor coordination in mitigating the adverse effects of aid fragmentation. Fragmentation can lead to redundant efforts and operational inefficiencies, as multiple donors often fund similar initiatives or target overlapping beneficiary groups without adequate coordination.

Strategic alignment among donor efforts is essential to maximise aid impacts and ensure that resources reach their intended targets efficiently. This study indicates that effective coordination is particularly vital in sectors where multiple donors operate, including health, education, and livelihoods within Uganda's not-for-profit sector. Enhanced coordination can reduce the administrative burden on NPOs, allowing them to focus on program implementation

and the pursuit of sustainability objectives. Moreover, the role of local governments and stakeholders in facilitating donor coordination is emphasised, ensuring that aid interventions align with national priorities and local needs.

Re-focusing NPOs' Sustainability Strategies

The findings of this study highlight the imperative for nonprofit organisations to recalibrate their sustainability strategies in response to the shifting dynamics of the donor aid ecosystem. This recalibration contributes to the existing literature by illustrating that transformations in the international donor landscape necessitate that NPOs transcend conventional legal, structural, and infrastructural constraints, embracing more innovative and agile methodologies to secure long-term sustainability. As the donor environment grows increasingly volatile and unpredictable, NPOs must critically reassess their operational strategies and investigate novel models prioritising collaboration, agility, partnership, and adaptability.

A key insight derived from this study is the escalating significance of sustainability strategies extending beyond mere financial viability to encompass preserving the organisation's identity and mission. While financial sustainability remains a paramount concern for NPOs, this focus must not lead to mission drift or compromise organisational autonomy. This intricate balance between achieving financial sustainability and adhering to the organisation's core mission is a recurring theme in existing literature. However, this study enhances the understanding of how NPOs can effectively navigate this challenge amidst evolving donor dynamics.

The study underscores the significance of collaborative sustainability frameworks, which facilitate strategic partnerships among not-for-profit organisations across various sectors, including private and public entities. Such collaborations empower NPOs to aggregate

resources, leverage collective expertise, and mitigate the financial risks of dependence on singular funding avenues. This is particularly pertinent in aid localisation, where an increasing number of international donors bypass traditional channels to support local organisations directly.

By cultivating alliances and partnerships, NPOs can substantially enhance their capacity for effective fund management, ensuring alignment with local community needs and priorities. The research further introduces the concept of agility as integral to NPOs' sustainability strategies. In a landscape marked by swift shifts in donor priorities and funding mechanisms, NPOs must cultivate an adaptive capacity to navigate emerging challenges and seize new opportunities. This may necessitate diversifying funding streams, innovating service delivery models, or restructuring internal processes to enhance operational efficiency and responsiveness.

Therefore, agility encompasses more than mere financial flexibility; it embodies an organisational ethos that prioritises continuous learning and strategic realignment in reaction to external dynamics. The study also elucidates the pivotal role of partnerships in fostering sustainability. Collaborative initiatives involving NPOs alongside various stakeholders—including donors, corporate entities, and governmental bodies—enable access to heterogeneous resources and diminish reliance on individual funding sources.

By pursuing fee-for-service partnerships, engaging in corporate social responsibility collaborations, or undertaking joint ventures with public and private entities, NPOs can generate alternative revenue streams that bolster long-term viability while remaining steadfast in their mission. Furthermore, the findings advocate for a comprehensive reassessment of NPO sustainability models, urging organisations to embrace multidimensional frameworks that integrate financial, operational, and identity-related sustainability dimensions. This shift

towards integrated sustainability strategies is crucial for enhancing resilience amid shifts in donor funding. architecture

In conclusion, this study contributes to the existing literature by articulating the necessity for NPOs to recalibrate their sustainability strategies in response to the changing landscape of donor aid. It advocates for innovative strategic models prioritising collaboration, agility, and adaptability, all while balancing financial sustainability with mission integrity. The insights gleaned here offer valuable guidance for scholars and practitioners alike, encouraging NPOs to adopt a more strategic and innovative approach to sustainability that ultimately contributes to their enduring success within the not-for-profit sector.

Practical Implications

Informed Decision-Making

This study presents several strategic implications for donors and nonprofit organisations, establishing a robust framework for enhancing aid distribution and organisational sustainability decision-making. The findings serve as a valuable resource for practitioners aiming to optimise resource allocation, partnership development, and strategic planning approaches.

The research identifies key determinants that significantly impact the efficacy of aid allocation from donors. By comprehensively understanding variables such as donor interests, governance structures, and recipient needs, donors could craft aid strategies that align more closely with the operational realities and missions of NPOs. This strategic alignment enhances the effectiveness of aid deployment and strengthens the donor-recipient relationship by fostering a shared understanding of mutual priorities and expectations. Additionally, the insights derived from the study can assist donors in reducing aid fragmentation and minimising transactional costs, thereby ensuring more efficient and effective resource allocation.

For NPOs, the findings delineate a strategic pathway for engaging with donors and securing long-term funding. By leveraging insights related to aid modalities and critical allocation determinants, NPOs can more effectively articulate their organisational needs while aligning their strategies with donor priorities. Understanding key donor factors—such as the imperative to demonstrate value for money, uphold accountability standards, and comply with regulatory requirements—enables NPOs to position themselves as credible and effective partners in the aid ecosystem.

This proactive stance can lead to enriched donor relationships, enhanced funding opportunities, and the development of more sustainable operational frameworks. Moreover, the study's findings support a more collaborative approach between donors and non-profit organisations. By articulating their organisational needs in line with donor goals, NPOs can develop partnerships beyond mere transactional exchanges. This collaboration encourages a two-way dialogue, allowing NPOs to inform donor strategies with insights from the field and advocate for interventions that are contextually relevant to the community's needs.

Re-defining Aid Conditions

The study's findings indicate a negative correlation between donor aid-recipient effectiveness and the sustainability strategies employed by Nonprofit organisations. This revelation calls for a reassessment of the existing aid conditions imposed by donors. It suggests that traditional accountability metrics, such as value for money and compliance with standards, do not always result in sustainable outcomes for NPOs. Thus, it is essential to redefine these aid conditions to better align with the diverse operational realities faced by recipient organisations.

Donors are encouraged to move beyond rigid, standardised conditions commonly associated with aid—such as stringent financial reporting and predetermined project

milestones—and instead adopt more context-specific criteria that address the unique challenges and capacities of various non-profit organisations. The not-for-profit sector displays considerable heterogeneity in organisational size, focus areas, resources, and geographic contexts. A one-size-fits-all approach can stifle innovation, limit flexibility, and undermine the sustainability that aid aims to promote. By implementing more nuanced and adaptable conditions, donors can create aid policies that effectively respond to the specific needs of recipient organisations and the communities they serve.

For example, rather than concentrating primarily on financial efficiency, donors might consider long-term impact metrics that include organisational capacity building and community empowerment, both of which are crucial for achieving sustainable development. These alternative metrics should capture the multidimensional aspects of sustainability, encompassing financial viability, alignment with mission objectives, organisational resilience, and community-driven outcomes.

Furthermore, the study indicates that excessively rigid compliance frameworks can impose significant burdens on NPOs, diverting critical resources and attention from their core missions. To mitigate this issue, donors should consider implementing context-sensitive compliance requirements that allow for flexibility in how organisations fulfil donor expectations. This could involve empowering NPOs to establish locally relevant objectives, creating tiered accountability mechanisms based on organisational capacity, or facilitating more participatory monitoring and evaluation processes that engage both donors and recipients in a collaborative dialogue regarding success metrics.

This paradigm shift would cultivate a more enabling environment for NPOs, fostering innovation, resilience, and sustainability rather than merely enforcing compliance. Such an approach would not only enhance the effectiveness of aid but also build trust and collaboration

between donors and NPOs, as the conditions for aid would be co-developed to reflect the ground realities.

The study's findings necessitate a re-evaluation of aid conditionality, prompting donors to implement more nuanced, context-sensitive frameworks that consider the varied environments in which aid is allocated. This revised approach would enhance the long-term viability of not-for-profit organisations by equipping them with the necessary flexibility and comprehensive support to effectively grapple with the intricate challenges presented by a rapidly evolving aid ecosystem.

This contribution to the dialogue surrounding aid efficacy offers crucial insights for policymakers, donors, and non-profit organisations. It facilitates a more profound examination of the best strategies for structuring aid conditions to achieve sustainable developmental outcomes. At the same time, the research highlights the necessity for NPOs to adeptly navigate the dynamics between aligning with evolving donor priorities and maintaining their commitment to sustainability objectives, all while preserving their organisational identity and mission.

To effectively manoeuvre through the changing landscape of donor funding, non-profit organisations should refine their focus on core competencies, which include:

Strategic Resource Management: Cultivating a well-managed and diversified portfolio of public and private funding sources, emphasising delivering high-quality programs and measurable impact for beneficiaries.

Capacity for Innovation: Developing strong capabilities to oversee and innovate in both programming and fundraising efforts, while fostering synergies that enable the layering and scaling of interventions to enhance their impact.

Research and Thought Leadership: Prioritising rigorous research, continuous learning, and innovative thought leadership to develop transformative partnerships. This entails regularly updating the 'evidence agenda' and positioning themselves as essential collaborators for funding entities.

Technical Expertise: Maintaining high standards of technical excellence and thought leadership in key strategic areas to bolster the NPOs' competitive advantage in securing public and private funding.

Strategic External Engagement and Advocacy: Investing intentionally in enhancing the capacity of NPOs to engage externally and advocate for their missions, thereby increasing their visibility and influence in funding discussions.

Future Research Directions

This study provides a crucial foundation for future research, particularly regarding the varying contexts of donor aid modalities, the determinants of aid allocation, and the effectiveness of recipient organisations. The diverse landscape of not-for-profit organisations invites further investigation into how these factors play out across specific sectors or geographical regions. For example, the health sector may display different patterns of donor aid impact when compared to the education or humanitarian sectors, due to differing needs, operational frameworks, and external influences. Future research can enhance our understanding of context-sensitive aid allocation strategies by focusing on sector-specific dynamics, leading to more targeted and effective donor interventions.

Moreover, exploring the relationship between local governance and political dynamics and the effectiveness of donor aid represents a promising direction for future study. Investigating how the sociopolitical landscape—including regulatory frameworks, policy

changes, and institutional capacity—affects aid outcomes can provide nuanced insights into the practical application of aid strategies. This focus could inform policy adaptations specifically designed to address the unique challenges NPOs face in various national or regional contexts.

Another significant avenue for future research is the implementation of longitudinal studies to track the sustainability pathways of NPOs over time. While this study offers a snapshot of how changes in donor aid influence NPO sustainability strategies, it is essential to understand how these strategies evolve as organisations adjust to a dynamic donor landscape. Longitudinal studies are better placed to shed light on the long-term effects of different donor aid modalities, particularly in how NPOs modify their strategies to remain viable amid ongoing challenges and new opportunities.

Such research can examine how NPOs' financial structures, governance models, and partnership dynamics change in response to shifts in donor priorities and external conditions. Insights gained from these studies will be valuable for both scholars and practitioners, offering a framework for building resilient, adaptive, and sustainable organisations. Additionally, by documenting the evolution of NPO strategies, future research can explore innovative sustainability models that go beyond traditional approaches, incorporating elements such as social enterprise frameworks, hybrid funding strategies, and technology-enabled solutions.

Conclusion

This study rigorously examined the interplay between international donor aid modalities, the determinants guiding donor aid allocation, and the effectiveness of donor-recipient relationships, focusing on their collective impact on the sustainability strategies of Not-for-profit Organisations in Uganda. Through a robust empirical investigation complemented by an extensive literature review, this research offers a detailed analysis of how

these variables interact, ultimately shaping the capacity of NPOs to maintain their operations within an increasingly complex donor aid environment.

The findings reveal intricate dynamics between donor aid frameworks and NPO sustainability. Certain aid modalities and specific donor interests can bolster the sustainability strategies of NPOs, yet competing factors—such as stringent accountability measures and compliance requisites—can introduce unforeseen challenges. This nuanced perspective challenges prevailing assumptions in the discourse on international aid, providing fresh insights into how donor aid frameworks can simultaneously act as facilitators and impediments to the long-term viability of NPOs. Moreover, the importance of contextualising aid conditions to reflect the diverse operational environments of NPOs is critically emphasised. The study advocates for a paradigm shift away from rigid, uniform approaches in favour of more flexible and responsive aid mechanisms tailored to the unique challenges and opportunities faced by various NPOs.

Notably, the evidence suggests that financial sustainability frequently assumes priority for NPOs in Uganda, potentially at the expense of their foundational mission and identity. This tension between economic viability and fidelity to original organisational purpose emerges as a central theme of the analysis.

This research enriches the broader discourse on aid effectiveness and offers valuable implications for practitioners, donors, and policymakers. It illustrates the necessity for collaborative engagement among these stakeholders to design and implement aid strategies that address immediate operational needs and underpin the long-term sustainability of NPOs. By capitalising on the insights garnered, these actors can cultivate a more inclusive, strategically aligned, and sustainable approach to aid delivery, ensuring that the needs of vulnerable populations in Uganda are effectively met.

In conclusion, this thesis lays the groundwork for continued exploration and discussion surrounding the sustainability of non-profit organisations within the evolving context of international donor aid. The findings from this study extend beyond the Ugandan setting, providing both practical and theoretical insights that can enhance aid strategies across diverse sectors and regions. As the global aid landscape continues to change, stakeholders must remain adaptable, responsive, and collaborative to ensure that aid interventions produce sustainable, impactful, and meaningful outcomes for NPOs and the communities they serve

Recapitulation of Findings:

In this study, international donor aid modalities emerged as a significant independent variable, revealing a complex relationship among various factors that impact the sustainability strategies of Not-for-Profit organisations. Examining these aid modalities highlights how aid delivery mechanisms can influence both the long-term viability and effectiveness of the strategies adopted by NPOs. The empirical analysis underscores the crucial role of the mode of aid delivery, suggesting that a nuanced understanding of international donor aid modalities has substantial implications for donors and recipient organisations. Notably, the positive relationship between effective aid modalities and the sustainability strategies of NPOs emphasises the necessity for streamlined, context-sensitive approaches to aid delivery and disbursement.

Additionally, the study explored the intricate dynamics of determinants influencing international donor aid allocation and its effects on the sustainability strategies of Not-for-profit organisations. It established a positive correlation between donor interests, governance structures, and the sustainability strategies adopted by NPOs, highlighting the importance of aligning donor objectives with the long-term missions of recipient organisations. The analysis quantified the impact of these determinants, revealing that a one-unit increase in donor aid

allocation factors results in a 0.545 increment in NPO sustainability strategies. This finding emphasises the significance of strategically aligned aid allocation in driving measurable outcomes for sustainability efforts within the nonprofit sector.

Donor Aid-Recipient Effectiveness: Analysing the relationship between the effectiveness of international donor-aid recipients and the sustainability strategies of not-for-profit organisations (NPOs) reveals a complex paradox. While adherence to donor compliance standards is positively correlated with the development of sustainability strategies, an increase in accountability and a focus on value for money appear to negatively impact these strategies, reducing NPO sustainability efforts. This finding—where a unit increase in donor-aid recipient effectiveness corresponds to a 0.207 decrease in NPO sustainability strategies—challenges prevailing assumptions and highlights the need for a nuanced understanding of the intricate dynamics at play.

NPOs' Sustainability Strategies: This study's findings emphasise the volatility, uncertainty, complexity, and ambiguity (VUCA) characterising the donor aid landscape. This compels not-for-profit organisations to reevaluate their sustainability strategies and underlying assumptions. It is essential for NPOs to adapt their sustainability frameworks to engage with the changing environmental context proactively. This adaptability requires readiness to seize emerging opportunities and confront challenges within the donor aid structure.

The study encourages NPOs to cultivate openness, innovation, creativity, and flexibility while fostering a learning, reflection, and discovery culture. These approaches are crucial for thriving amidst ongoing fluctuations in donor aid. Key sustainability strategies highlighted include revenue diversification, strengthening relationships with funders, innovative fundraising methods, competitive positioning, partnerships, subcontracting, and robust donor engagement and networking. These elements are vital for enhancing NPO resilience and sustainability.

The current global aid sector faces unprecedented constraints due to limited resources, heightening the need for NPOs to demonstrate quantifiable impact and outcomes. Historically, the NPO funding ecosystem has relied on the goodwill of donors who allocate sector-specific funding influenced by geographic priorities and organisational legacies. However, this study indicates that this traditional structure is deteriorating, negatively affecting NPO sustainability.

The operational complexity and sustainability challenges faced by NPOs are increasing. Many organisations have relied on duplicative efforts and a risk-averse approach, which is no longer viable, as revealed by the study data. NPOs that have become overly dependent on conventional funding sources face pressure to achieve greater outcomes with fewer resources. Consequently, there is an urgent need for a paradigm shift from being mission-driven to becoming mission-proven entities. NPOs must critically examine the identities they project to donors and beneficiaries to ensure they align with the evolving expectations of the donor landscape.

Contextualising the Results

Bridging Literature and Findings

The findings of this study significantly intersect with the existing body of literature, presenting a narrative that both supports and challenges established theories. Notably, the positive correlation between donor interests and sustainability strategies in not-for-profit organisations corroborates previous research, emphasising the critical role of strategic partnerships within the aid ecosystem (Smith et al., 2018). However, the nuanced and varying effects of accountability on sustainability strategies add a layer of complexity, prompting a reevaluation of the traditionally accepted linear models that govern donor-recipient relationships.

Unravelling the Complexity

The observed inverse relationship between donor assistance and the effectiveness of recipient organisations, along with their sustainability strategies, calls for a more nuanced analysis of the underlying dynamics. While the compliance challenges donors face seem to encourage greater sustainability efforts, the decline in effectiveness is primarily driven by increased accountability. Moreover, the focus on value-for-money necessitates a thorough examination of the situation. This complexity highlights the importance of moving away from one-size-fits-all strategies and recognises the diverse contexts in which aid is allocated and utilised.

Responding to the Study Problem

The findings of this study offer a strategic framework for navigating the intricate landscape of international donor aid. The identified determinants act as essential indicators for donors and Not-for-Profit organisations, ensuring that aid allocations are purposefully targeted and aligned with recipient entities' overarching missions and objectives. The inherent paradox surrounding the effectiveness of aid recipients necessitates a reassessment of current methodologies, advocating for a transition from traditional metrics to more rigorous evaluations that measure the tangible impacts of aid.

This research explicitly addresses the central research problem by clarifying the relationship between the determinants of donor aid allocation and the sustainability strategies employed by NPOs. It underscores the complex dynamics that influence the longevity and effectiveness of these organisations' strategies. This insight provides a vital roadmap for both donors and aid recipients, encouraging the adoption of sustainable practices that enhance the effectiveness of aid interventions.

Final Reflections

This study comprehensively investigates the intricate dynamics of international donor aid modalities, allocation criteria, and the effectiveness of recipient not-for-profit organisations, particularly within the Ugandan context. The findings shed light on the complex interplay of factors that influence the operational sustainability of NPOs, challenging conventional notions of aid effectiveness. This research argues that a nuanced understanding of donor aid interactions is crucial for grasping the operational landscape of NPOs, advocating for a reevaluation of traditional donor-recipient models.

The analysis advocates for a context-sensitive and tailored approach to international aid distribution. It highlights that blanket strategies for aid allocation and sustainability are often impractical. Stakeholders—donors, policymakers, and leaders of nonprofit organisations—are urged to consider NPOs' specific operational environments, ensuring that aid frameworks are adaptable and responsive to local realities.

As the international donor aid ecosystem evolves, these insights serve as a strategic framework for navigating emerging challenges. For NPOs to maintain viability in this changing landscape, they must embrace financially sustainable models aligned with their core missions. Attributes such as collaboration, innovation, and strategic agility will be essential for NPOs to adapt and influence the trajectory of international development. Moreover, the study underscores the importance of synergistic partnerships between donors and NPOs, which are pivotal for achieving sustained and meaningful impact in the sector. The findings encourage stakeholders to co-develop partnerships that yield more effective outcomes within the nonprofit sphere.

These reflections call for continuous strategy refinement among all actors involved in international aid, as they respond to an evolving global environment. Notably, the role of NPOs

in Uganda's developmental framework has garnered recognition, particularly in light of shifting donor aid patterns. NPOs are therefore prompted to cultivate transformative partnerships with government entities, especially relevant line ministries, to leverage in-country resources as implementing partners for government initiatives. This positions NPOs to provide last-mile services in areas where government infrastructure may fall short, creating a critical niche for NPOs in their strategic negotiations.

The relevance of nonprofit organisations is increasingly critical in the context of a transforming international donor aid landscape. Since 2016, the demand for humanitarian assistance has surged to unprecedented levels, while donor-funded budgets have contracted significantly. This dynamic has created a stark disparity between the resources required and those available, establishing a pressing challenge for the NPO sector in Uganda.

Consequently, there is a compelling need to rethink sustainability models for NPOs, shifting from traditional legacies to a zero-based approach that prioritises the essential functions of organisations. Reorganisations and reconfigurations within the sector highlight a fundamental principle: organisations that lack essentiality or purpose are unlikely to sustain themselves. To adapt effectively, NPOs should engage in critical self-assessment by addressing key sustainability questions: Which organisational functions are essential? What scalable models can be adopted? How can efficiency in service delivery be achieved?

In the current climate, mere relevance, efficacy, and efficiency are insufficient to guarantee sustainability; these attributes represent only baseline requirements. A paradigm shift in response to the evolving donor context necessitates a mindset characterised by innovation and adaptability. NPOs should recalibrate their programmatic efforts to ensure timely, affordable, and scalable interventions, employing bold, evidence-based strategies that tackle the root causes of humanitarian crises rather than merely alleviating symptoms.

The shifting dynamics of international aid do not signal an impending extinction of donor funding but rather herald a transformative phase for NPOs. Organisations that fail to recognise these shifts may find themselves supplanted by new entities more attuned to emerging needs. Therefore, it is imperative for Ugandan NPOs to proactively seize this opportunity for reinvention to avoid the repercussions of forced adaptation.

Research indicates that non-profit organisations that demonstrate agility, clarity, and measurable impact in their responses to environmental changes are better positioned for survival and growth. In contrast, those hesitant to evolve face the risk of obsolescence. The urgency of embracing these transformations becomes apparent as organisations must focus on innovative sustainability frameworks rooted in core humanitarian principles.

Moreover, NPOs' sustainability is shaped by external factors and internal dynamics, particularly in leadership and governance structures. Although this study did not extensively delve into governance, the interplay between effective leadership and sustainability strategies is crucial in a volatile donor landscape, as highlighted in discussions with key informants. NPOs must cultivate credibility and courage to navigate uncertainties, moving beyond a singular focus on stability.

To adapt successfully to changes within donor ecosystems, NPOs must be willing to reassess traditional operational frameworks. Factors historically contributing to success may now represent vulnerabilities when confronted with future challenges. Ugandan NPOs, in particular, should engage in rigorous self-assessment and foster critical dialogue that questions existing orthodoxies, all in pursuit of operational efficiency and impactful outcomes. This involves implementing business improvement initiatives, streamlining processes, and enhancing organisational responsiveness to ensure a results-driven approach.

Ultimately, the sustainability of NPOs should be grounded not in self-serving principles

but in a steadfast commitment to compassion, precision, and impactful results. The humanitarian crises that NPOs endeavour to address necessitate that organisations safeguard their missions by challenging prevailing norms and adapting their strategic approaches to thrive in ever-evolving conditions.

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Appendices

A Reliability Analysis of the Data Collected

a) All variables

Case Processing Summary			
		N	%
Cases	Valid	100	99.0
	Excluded ^a	1	1.0
	Total	101	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics	
Cronbach's Alpha	N of Items
.857	40

b) International Donor Aid Modalities

Case Processing Summary			
		N	%
Cases	Valid	100	99.0
	Excluded ^a	1	1.0
	Total	101	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics	
Cronbach's Alpha	N of Items
.607	11

c) International Donor Aid Allocation Determinants

Case Processing Summary			
		N	%
Cases	Valid	100	99.0
	Excluded ^a	1	1.0
	Total	101	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics	
Cronbach's Alpha	N of Items
.764	11

d) International Donor Aid Allocation Determinants

Case Processing Summary			
		N	%
Cases	Valid	101	100.0
	Excluded ^a	0	.0

	Total	101	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics	
Cronbach's Alpha	N of Items
.869	9

e) NPO sustainability strategies

Case Processing Summary			
		N	%
Cases	Valid	101	100.0
	Excluded ^a	0	.0
	Total	101	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics	
Cronbach's Alpha	N of Items
.692	9

B List of Sampled NPOs

Nature of NPO	List of Sampled NPOs
International NPOs	World Vision Uganda, Care International In Uganda, Oxfam Novib, Avsi Foundation, Agriterro, Ahf-Uganda Cares, Goal Relief And Development Organisation, Hanns R Neumann Stiftung Africa Limited, Veterinaires Sans Frontieres Germany, Veterinarians Without Borders Vwb Uganda, Good Neighbours International, Imprint Hope, Promise Of Education Uganda, Save The Children International, Serve Direct Uganda, Shule Educational Services (U), Uganda Child Care Denmark, All The study Are, Jhpiego Corporation, Malteser International (Formerly Malteser Hilfsdienst), Management Sciences For Health Inc, Marie Stopes Limited, The Carter Center Inc., The Finnish Refugee Council, Avocats Sans Frontieres, Sense International Uganda, The International Center For Transitional Justice, Auschwitz Institute For Peace And Reconciliation, Care International In Uganda, Caritas Switzerland Danish Refugee Council, Child Fund International Usaid, Follothe studyrs Of The Way Inc, Finn Church Aid Uganda, Handicap International Federation, Kids Of Africa Swiss African Children's Village, Heifer International, Spark Microgrants, Horizont 3000 Austrian Organisation For Development Co-Operation, Hunger Free World Uganda, Life Water International, Lutheran World Federation, Nurture Africa, Orphans Aid International, Plan International, Inc, Right To Play, The studylls Of Life Inc, Samaritan's Purse International Relief, Sos Children's Villages Uganda, Sthe studydish Technical Assistance (International Aid Services Sthe studyden, The Northe studygian Refugee Council, War Child Netherlands, Windle International Uganda, Wateraid

	Uganda, Institute For International Co- Operation And Development, Catholic Relief Services, Beadforlife, Compassion International, Cure Children's Hospital Of Uganda, Dignified Foundation, Diakonia Sthe studyden, Finnish Mission Uganda, Fontes Foundation Uganda, Food For The Hungry Uganda, Funding With Us, Good Partners-Uganda, Hanak Education, International Rescue Committee, Intrahealth International Inc, Jesuit Refugee Service Uganda, Life Way Mission, More Africa International, Raising Voices, Samuel Scholarship Foundation, Water For People Uganda, Infectious Disease Research Collaboration, Handicap International Federation, The studylthungerhilfe (Formerly German Agro Action), Emergency - Life Support For Civilian War Victims, Farm Radio International, Mercy Beyond Borders (Mbb), Palle Moeller Foundation, Rhino Fund-Uganda, Samuel Scholarship Foundation, Water For People Uganda, Africa Development Promise, Agritechtalk Africa, Fauna And Flora International, Food And Agricultural Research Management Africa (Farm), Give Us Wings Uganda, Mothers2mothers Uganda, The studyllshare International, Ahlul Bait (A.S) Islamic Foundation Uganda, Global Care (Uganda), Mission Link International (Mli), Soft Pothe studyr Mukagwa Allan Stone Community Health, Teams 4 U, The Tiger's Club Project, Cesvi Cooperazione Sviluppo, Emmanuel International Uganda, Whitaker Peace And Development Initiative, Volksmissione.C, Backup Uganda, Elizabeth Glaser Pediatric Aids Foundation (Egpaf), Amref Health Africa In Uganda, Angels Haven Ltd, Uganda Kids Project Limited
Indigenous NPOs	Feed The Children Uganda, Food Rights Alliance, Hand Of Mercy Uganda, Habitat For Humanity Uganda, Mercy Scouts International, Mildmay Uganda, Open Street Map Uganda, Katalemwa Cheshire Home For Rehabilitation

	Services, Kulika Uganda, Open Street Map Uganda, Population Cares Uganda (Popcares), Reach A Hand Uganda, Rescue Food Project (Rfp), The Aids Support Organisation, The Potters's Heart Child Foundation, Uganda Debt Network, African Palliative Care Association, Baylor College Of Medicine Children's Foundation, Family Rescue Initiatives- Uganda, Padre Opio Rural Development Initiative, Youth Achievers International, New Dawn Africa Foundation, Namutamba Rehabilitation Centre For Children, Hannah Christian Aid, Teso Women Peace Activists (Tewpa), This Is It Sports And Music Ministry- Buyende, Generations In Action,

C: QUESTIONNAIRE TOOL

ASSESSING THE EFFECTS OF INTERNATIONAL DONORS' AID SHIFTS ON NOT-FOR-PROFIT ORGANISATIONS' SUSTAINABILITY STRATEGIES IN UGANDA

Greetings, my name is Tina Tusiime Mukunda, a Doctoral student of Business Administration at UNICAF UNIVERSITY. I am collecting data on the research study which seeks to **Assess the Effects of International Donors Aid Shifts on Not-for-profit Organisations' Sustainability Strategies in Uganda**

Participation in the survey is voluntary, so please try to be as objective as possible in your responses. All the information you give will be confidential. You are free to stop responding at any time, or to skip any questions that you are not comfortable answering. But the study will be glad if you can answer all questions. The information will be used for academic purposes only, but will not include any specific names. There will be no way to identify that you are the one who gave this information. Also, please do not expect anything in return (monetary or materially) for participating in this study.

Background Characteristics

		SKIP
1. Name of Organisation		
2. Type of the organisation	International Organisation National/Indigenous Organisation Both	
3. How long has the organisation existed in Uganda	Below 5 years 6-10 years 11-15 years 16-20 years Above 20 years	
4. Name of Respondent		
5. Gender of Respondent	Male Female	
6. Role of respondent in the Organisation	Finance Program Management Resource Acquisition Human Resource Administration Monitoring and Evaluation Others (Specify)	
3. How old are you in the Organisation in Uganda	1-5 years 6-10 Years 11-15 Years 16-20 Years Over 20 Years	
4. Annual operational budget		

5.Number of staff in the organisation	Male= Female=	
6.In which of the following programming areas does your organisation currently focus on?	A. Child Protection B. Women Economic Empothe studyrment C. Livelihoods D. Education E. Disaster Risk Reduction F. Others (Specify)	
7.Does your organisation have sustainability strategy?	Yes No	
If yes, what are the core areas of its focus (Tick all that is applicable)	1. Finance 2. Operations 3. Identity 4. Interventions	
How important is information in the sustainability strategy to you in your work?	Very important Important Slightly important Not important Don't know	
8.Indicate to what extent you are responsible for your organisation's sustainability strategies:	No Responsibility Partly Responsible Fully Responsible	

Donor Aid Modalities:

DAM001	What are some of the donor aid modalities your Organisation benefits from	1.Basket arrangements 2.Projects using govt systems 3.Projects using parallel systems 4.Projects through NGOs 5. Others (Specify)
DAM002	Which of the donor aid characteristics does your organisation operate in? Tick all that apply	1.Conditionality 2.Earmarking 3.Accountability
DAM003	What are the critical factors that influence donor aid to your Organisation	1. Government of Uganda 2. Head Quarters 3. Civil society 4. Private Sector 5. Citizens/Beneficiaries 6. Others (Specify)
DAM004	Describe how the donor incentives work within the Organisation's resource mobilization strategy?	

DAM 005	What influences the donor aid incentives in this country at systemic, organisational and individual levels? Tick all that apply	A. International trends. B. The relationship between the partner government and the donor C. The preferences of the partner country government. D. Political interests. E. The role of the civil society and the private sector. F. The role of the donor constituency. G. Recruitment policies and practices H. Skills and training opportunities. I. Staff attachment to development activities. J. Career opportunities and rewards.

Donor Aid allocation determinants:

The following determine the donor aid allocation in Uganda and most especially affect your organisation and affect funding sustainability

DAA001	Donor Interest:	Strongly Agree	Agree	Disagree	Strongly Disagree
DAA001.1	Colony ties				
DAA001.2	Export				
DAA001.3	Social Economic factors				
DAA002	Recipient Need				
DAA002.1	Income per Capita				
DAA002.2	Population				
DAA002.3	Geopolitical interest				
DAA003	Governance				
DAA003.1	Regulatory Burden				
DAA003.2	Rule of Law				
DAA003.3	Political Military Expenditure				
DAA003.4	Civil Liberties				
DAA003.5	Corruption				
DAA003.5	Economic openness				

For each dimension listed below, please indicate if you think the dimension is very important, important, slightly important, or not at all important with regard to NGO sustainability:

	Very important	Important	Slightly important	Not at all important	Don't know
a. Legal Environment					
b. Organisational Capacity					
c. Financial Viability					
d. Advocacy					
e. Service Provision					
f. Infrastructure					
g. Public Image					
h. Registration					

Have you used the information from the sustainability strategy for the following purposes in the past 12 months or ever? (Check all that apply):

	Ever	Past 12 Months
a. Understand your sustainability into the next 5years		
b. Understand your sustainability for multiple countries or regions of Africa		
c. Compare your sustainability across technical programming needs		
d. Understand trends in NGO sustainability in Uganda		
e. Monitoring or evaluation of specific civil society programs		
f. Research/Analysis of NGO sector in Uganda		
g. Preparing a Performance Plan and Report		
h. Preparing a Performance Monitoring Plan (PMP)		
i. Program design		
j. Strategic planning		
k. Determining funding priorities		
l. Starting dialogue with policy makers/NGO stakeholders		
m. Other (please specify):		
n. I haven't used the information from the strategy		

Donor Aid recipient effectiveness

Circle the right statements that support donor aid recipient effectiveness

	Donor Aid recipient effectiveness parameters	Strongly Agree	Agree	Disagree	Strongly Disagree
DARE001	Accountability				
DARE001.1	Personnel accountability has potential of				

	increasing donor sustainability				
DARE001.2	Financial resources management and audit query free grants have attracted more grants with our donors				
DARE001.3	Timely execution and reporting has supported in increasing our funding basket and sustained our funders over time				
DARE002	Value for money				
DARE002.1	Resources produce for all targeted programme targets				
DARE002.2	Resources hire the right staff with limited turn over				
DARE003	Safe guarding issues				
DARE003.1	Safe guarding of assets through increases chances of grant follows on in your organisation				
DARE003.2	Implementation compliance increases chances of grant follow on in your organisation				

International Donor aid Shift

To what extent do you agree or disagree that the following donor aid shifts have affected your organisations' sustainability strategies

DAS-Donor Aid Shifts	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
DAS001 Changing donor Priorities	1	2	3	4	5
DAS002 Complex funding criteria applied to organisations	1	2	3	4	5
DAS003 Donors Conditional Ties	1	2	3	4	5
DAS004 Bureaucratic donor policies	1	2	3	4	5
DAS005 Too many rules and regulations in accessing resources.	1	2	3	4	5
DAS006 Donor prejudices towards an NGO.	1	2	3	4	5
DAS007 Increased competition between the study NGOs for funds.	1	2	3	4	5

Please rate the usefulness to you in your work of each of the following parts of the sustainability strategy

	Very useful	Useful	Slightly useful	Not useful	Don't know
a. Executive summary					
b. Country narratives					
c. Country/ Institutional Sustainability Index scores					
d. Country scores on each dimension of NGO sustainability					
e. Topical essays on specific NGO issues					

To what extent do you agree or disagree with the following statements:

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
a. The sustainability strategy/approach accurately describes the sustainability of the NGO sector/ field you operate in					
b. The strategy accurately captures changes in NGO sustainability from one year to the next.					
c. The strategy accurately scores the sustainability of the NGO sector					

compared to other countries in the region.					

To what extent do you agree or disagree with the following sustainability strategies statements:

a, NPOs should use their assets to develop comprehensive mission driven member service packages to attract funding from membership Fees as a sustainability strategy					
b. NPOs project funding needs should relate to the funders expressed priorities					
c. Partner with the private sector through corporate social responsibility initiatives					
d. NGOs should enter into joint contractual fee-based partnerships with public sector.					
e. NGOs should enter into joint contractual fee-based partnerships with public and private sector					
f. NGOs should diversify their profit-making strategies that truly lead to both long term future financial growths.					
g. NGOs should divert some of their time and energy away from their core mission to align to donor aid shifts					
h. NGO managers must strike a balance that optimizes resource generation without compromising the quality and quantity of the services they provide to their core beneficiaries					
i. Contract out Support Services to the Private Sector to save on costs.					
j. NGOs should promote items to earn funds while spreading the word about their mission and goals					

Please rate the quality of the sustainability strategy along the following dimensions
(Excellent, Good, Fair, Poor):

	Excellent	Good	Fair	Poor	Don't know
a. Accuracy of the country scoring					
b. Accuracy of country narratives					
c. Reliability of the scoring methodology					
d. Transparency of the scoring methodology					
e. Presentation of findings					
f. Timeliness of the report					

D: QUALITATIVE TOOL-INTERVIEW GUIDE

ASSESSING THE EFFECTS OF INTERNATIONAL DONORS AID SHIFTS ON NOT-FOR-PROFIT ORGANISATIONS' SUSTAINABILITY STRATEGIES IN UGANDA

INTERVIEW GUIDE

Greetings, my name is Tinah Tusiime Mukunda, a Doctoral student of Business Administration at UNICAF UNIVERSITY. I am collecting data on the research study, which seeks to ***assess the Effects of International Donors' Aid Shifts on Not-for-profit Organisations' Sustainability Strategies in Uganda***

Participation in the survey is voluntary, so please try to be as objective as possible in your responses. All information provided will be kept confidential. You are free to stop responding at any time or to skip any questions that you are not comfortable answering. However, the study will be glad if you can answer all questions. The information will be used for academic purposes only, but will not include any specific names. There will be no way to identify that you are the one who gave this information. Also, please do not expect anything in return (monetary or materially) for participating in this study.

Name of the Key Informant:

Designation:

1. In your own opinion, to what extent does result-based delivery, aid localisation, sector wide approach, pooling of funds and budget support influence aid allocation to the NPO or other NPOs in the Ugandan setting? *For each modality probe the justifications underlying it*
2. In your opinion, what do you think is the basis for donor disbursement of funds to your organisation or the NPO sector? *Probe the respondent to explain whether donor interests/priorities political ties, vulnerability of the recipient or any other factors influences donor aid allocations*
3. In your opinion, what do you think could be some of the factors to be considered to bring about financial and identical sustainability within NPOs?
4. What would be some of the measures to institute to ensure sustainability in the Uganda NPO sector is guaranteed? *(Probe the respondent in line with financial and identical sustainability.)*
5. In your opinion, what do you think would increase donor aid effectiveness in the Ugandan NPO sector. *Probe the respondent in reference to financial resource management, timely execution of project/programs and safeguarding*
6. What are some of the sustainability strategies that your organisation or strategies adopted in the Ugandan NPO sector to ensure financial and identity sustainability?
7. Overall, to what extent do you think donor aid modalities, donor aid allocation determinants and Donor and recipient effectiveness affect NPO sustainability strategies

Thank you

E: UGANDA RESEARCH ETHICS COMMITTEE DECISION



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 Kampala, Uganda
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RESEARCH ETHICS COMMITTEE (UMI REC)

18/07/2024

To: Tinah Mukunda
 UNICAF University
 0776804426

Type: Initial Review

Re: UMIREC-2024-5: Assessing Effects of International Donors Aid Shifts on Not-for-profit Organisations Sustainability Strategies in Uganda

I am pleased to inform you that at the **1st** convened meeting on **02/07/2024**, the Uganda Management Institute (UMI) REC meeting voted to approve the above referenced application. Approval of the research is for the period of **18/07/2024** to **18/07/2025**.

As Principal Investigator of the research, you are responsible for fulfilling the following requirements of approval:

1. All co-investigators must be kept informed of the status of the research.
2. Changes, amendments, and addenda to the protocol or the consent form must be submitted to the REC for re-review and approval **prior** to the activation of the changes.
3. Reports of unanticipated problems involving risks to participants or any new information which could change the risk benefit: ratio must be submitted to the REC.
4. Only approved consent forms are to be used in the enrollment of participants. All consent forms signed by participants and/or witnesses should be retained on file. The REC may conduct audits of all study records, and consent documentation may be part of such audits.
5. Continuing review application must be submitted to the REC **eight the weeks** prior to the expiration date of **18/07/2025** in order to continue the study beyond the approved period. Failure to submit a continuing review application in a timely fashion may result in suspension or termination of the study.
6. The REC application number assigned to the research should be cited in any correspondence with the REC of record.
7. You are required to register the research protocol with the Uganda National Council for Science and Technology (UNCST) for final clearance to undertake the study in Uganda.
8. The following is the list of all documents approved in this application by Uganda Management Institute (UMI)

No.	Document Title	Language	Version Number	Version Date
1	Risk management plan	English	1	2024-07-09
2	Community Engagement plan	English	1	2024-07-09
3	Informed Consent forms	English	2	2024-07-09
4	Research Dissemination plan	English	1	2024-07-09
5	Informed consent form for the recruitment of research participants	English	1	2024-06-15
6	Data collection tools	English	1	2024-06-06
7	Protocol	English	1	2024-06-01
8	Proof of ethical approval if the protocol originates from outside Uganda/International researchers	English	1	2024-06-01

Yours Sincerely



Dr. Wilfred Lugemai Bongomin
For: Uganda Management Institute (UMI) REC

F: REAF/UREC APPROVAL

UREC Decision, Version 2.0

**Unicaf University Research Ethics Committee
Decision****Student's Name: Tina Tusiime Mukunda****Student's ID #: R1906D8603878****Supervisor's Name: Dr Azeez Tunbosun Lawal****Program of Study: UU-DBA-900-3-ZM****Offer ID /Group ID: O47775G60543****Dissertation Stage: DS3****Research Project Title:****Assessing Effects of International Donors aid Shifts on Non-for-Profit Organizations' Sustainability Strategies in Uganda.**

G: GATEKEEPER LETTER



UU_GL - Version 2.0



Gatekeeper letter

Address: Country Director (Name of NPO)

Date:

Subject: Request for research study participation

Dear Sir/Madam,

I am a doctoral student at Unicaf University Zambia.

As part of my doctoral degree I am carrying out a study on Assessing Effects of International Donors aid Shifts on Non-for-Profit Organizations' Sustainability Strategies in Uganda.

I am writing to request your permission and authorization for your organization to participate in this research.

This study will be using quantitative and qualitative research methodology to collect information on the research phenomenon in regard to shifts and changing International donors aid architecture and its implication on Non for Profit organisations' sustainability strategies in Uganda. My supervisor for this Doctoral Studies in Business Administration is Dr. Azeez Tunbosum Lawal

Am therefore, requesting your permission to administer a questionnaire and an interview where necessary with selected members of your Senior Leadership Team. With your authorization, one data collection tool in a form of questionnaire will be administered. The questionnaire contains information in regard to the research phenomenon that is being explored and information gathered out of this process will be treated with confidentiality and used for the intended purpose which is for completion of the Doctoral Studies of Business Administration.

Thank you in advance for your time and for your consideration of this project. Kindly please let me know if you require any further information or need any further clarifications.

Yours Sincerely,

Tinah Tusiime Mukunda

Student's Name: Tinah Tusiime Mukunda

Student's E-mail: mukutina@yahoo.com

Student's Address and Telephone:

Supervisor's Title and Name: Dr. Azeez Tunbosum Lawal

Supervisor's Position:

Supervisor's E-mail:

H: Informed Consent Form



UU_IC - Version 2.1



Informed Consent Form

Part 1: Debriefing of Participants

Student's Name: Tinah Tusiime Mukunda
Student's E-mail Address: mukutina@yahoo.com
Student ID #: R1906D8603878
Supervisor's Name: Dr Azeez Tushosum Lawal Unicaf University
University Campus: Zambia (UUZ)
Program of Study: Doctorate of Business Administration
Research Project Title: Assessing Effects of International Donors aid Shifts on Non-for-Profit Organizations' Sustainability Strategies in Uganda.



Date: 17-May-2023

Provide a short description (purpose, aim and significance) of the research project, and explain why and how you have chosen this person to participate in this research (maximum 150)

The above-named Student is committed in ensuring participant's voluntarily participation in the research project and

The evolution of donor aid funding is multifaceted, marked by continually changing approaches and modalities, shifting donor motives, and varying aid allocation and conditionality. Given the inevitable changes in the international aid landscape, it is crucial for Non-Profit Organisations (NPOs) to remain relevant and sustainable. Consequently, it is essential to extend research on how NPO sustainability in Uganda has been impacted by these changes in international donor aid and how organisations have adjusted their sustainability strategies in response. You have been selected to participate in this study due to your strategic role within your organisation, particularly concerning strategy development and donor engagement for funding and resource mobilisation. This role requires you to interface with donor information and provides you with insight into your organisation's strategic decision-making processes.

guaranteeing there are no potential risks and/or harms to the participants.

Participants have the right to withdraw at any stage (prior or post the completion) of the research without any consequences and without providing any explanation. In these cases, data collected will be deleted.

All data and information collected will be coded and will not be accessible to anyone outside this research. Data described and included in dissemination activities will only refer to coded information ensuring beyond the bounds of possibility participant identification.

I, Tinah Tusiime Mukunda, ensure that all information stated above is true and that all conditions have been met.

Student's Signature: Tinah mukunda



UU_IC - Version 2.1

Informed Consent Form

Part 2: Certificate of Consent

This section is mandatory and should to be signed by the participant(s)

Student's Name: Tinah Tusiime Mukunda

Student's E-mail Address: mukutina@yahoo.com

Student ID #: R1906D8603878

Supervisor's Name: Dr Azeez Tunbosum Lawal

University Campus: Unicaf University, Zambia (UUZ)

Program of Study: Doctorate of Business Administration

Research Project Title:

Assessing the Effects of International Donors' aid Shifts on Not-for-Profit Organisations' Sustainability Strategies in Uganda.

I have read the foregoing information about this study, or it has been read to me. I have had the opportunity to ask questions and discuss about it. I have received satisfactory answers to all my questions and I have received enough information about this study. I understand that I am free to withdraw from this study at any time without giving a reason for withdrawing and without negative consequences. I consent to the use of multimedia (e.g. audio recordings, video recordings) for the purposes of my participation to this study. I understand that my data will remain anonymous and confidential, unless stated otherwise. I consent voluntarily to be a participant in this study.

Participant's Print name:

Participant's Signature: _____
Date: _____

If the Participant is illiterate:

I have witnessed the accurate reading of the consent form to the potential participant, and the individual has had an opportunity to ask questions. I confirm that the aforementioned individual has given consent freely.

Witness's Print name:

Witness's Signature: _____

Appendix I: Pre-Viva Voce Approval


SDS DF&SC-01

School of Doctoral Studies
Pre-Viva Voce Examination Evaluation Decision and Student Confirmation

Doctoral Candidate's Name: Tinah Tusiime Mukunda
Doctoral Candidate's ID #: R1906D8603878
Supervisor's Name: Dr. Azeez Tunbosun Lawal
University Campus: Unicaf University Zambia (UUZ)
Program of Study: DBA - Doctorate of Business Administration
Thesis Title: ASSESSING EFFECTS OF INTERNATIONAL DONORS AID SHIFTS ON NON-FOR-PROFIT ORGANIZATIONS SUSTAINABILITY STRATEGIES IN UGANDA.

Part A: Decision (to be completed by the panel)

Tick the relevant box:

☒	A. Proceed to Viva Voce examination
☐	B. Proceed with Minor Corrections - Extension
☐	C. Proceed with Major Corrections, Repeat Pre-Viva Examination

Part B: To be completed by the panel (Columns A and B) and the student (Column C)

No	A Recommendations / Changes / Comments	B Chapter/Section/ Presentation Page	C Completed: Yes /No/Partially, Further Comments
1	The title is aligned with the program.	Research Title Alignment with Programme	YES
2	The problem statement is presented in the research.	Problem Statement/ Conceptual Framework	YES
3	The innovation aspect of this research should be presented in the content.	Innovation/ Significance/ Contribution	YES
4	The research objectives and questions are aligned well.	Research Objectives/ Questions/ Hypothesis	YES
5	The methodology is developed well in this study. There are methods and techniques applied to the research.	Methodology	YES
6	Please provide the results of the statistical analysis used to establish the reliability and validity of the	Research Tools / Material and	YES

1



SOS DF&SC-01

	A	B	C
No	Recommendations / Changes / Comments	Chapter/Section/ Presentation Page	Completed: Yes /No, Further Comments
	study	Instruments:	
7	The results of the thematic analyses should come out clearly	Findings/Results	YES

Doctoral candidate, List below any further comments you would like to address to the panel.

Click or tap here to enter text.

Part C: Student Confirmation - To be completed by the Doctoral Candidate

I, Tinah Tusiime Mukund, confirm that I proceed with all changes and recommendations provided to me by the panel, as listed in the Ple-V--va Report form as per the table provided in Part 8.

Signature of the doctoral candidate

Part D: Supervisor Confirmation - To be completed by the Supervisor

I, Az, Aez Lawal, confirm that I have checked all recommendations and the doctoral candidate has implemented all of them, per the comments provided by the panel and the table in Part B.

Signature of Supervisor

Part E: Official Use Only

To be completed by the School of Doctoral Studies

☐ Approved

☐ Not Approved

ADDITIONAL COMMENTS/SUGGESTIONS

Click or tap here to enter text.

School of Doctoral Studies: Click or tap here to enter text.

Date: Click or tap to enter a date.

	A	B	C
No	Recommendations / Changes / Comments	Chapter/Section/ Presentation Page	Completed: Yes /No/Partially, Further Comments
	study	Instruments:	
7	The results of the thematic analyses should come out clearly	Findings/Results	YES

Doctoral candidate: List below any further comments you would like to address to the panel.

Click or tap here to enter text.

Part C: Student Confirmation – To be completed by the Doctoral Candidate

I, Tinah Tusiime Mukunda, confirm that I proceeded with all changes and recommendations provided to me by the panel listed in the Pre-Viva Report form as per the table provided in Part B.

Signature of the doctoral candidate Tmukunda

Part D: Supervisor Confirmation – To be completed by the Supervisor

I, Dr. Azeez Tunbosun Lawal, confirm that I have checked all recommendations and the doctoral candidate has implemented all of them, as per the comments provided by the panel and the table provided in Part B.

Signature of Supervisor Dr. A.T. Lawal

Part E: Official Use Only

To be completed by the School of Doctoral Studies

☐ Approved

☐ Not Approved

ADDITIONAL COMMENTS/SUGGESTIONS

Click or tap here to enter text.

School of Doctoral Studies: Click or tap here to enter text.

Date: Click or tap to enter a date.

J: REAF Form



REAF_DS - Version 3.1 AP



UNICAF UNIVERSITY RESEARCH ETHICS APPLICATION FORM DOCTORAL STUDIES	UREC USE ONLY: Application No: Date Received:

Student's Name: Tinah Tusiime Mukunda

Student's E-mail Address: mukutina@yahoo.com

Student's ID #: R1906D8603878

Supervisor's Name: Dr Azeez Tunbosum Lawal

University Campus: Unicaf University Zambia (UUZ)



Program of Study: UUZ: DBA Doctorate of Business Administration

Research Project Title: Assessing Effects of International Donors aid Shifts on Non-for-Profit Organizations' Sustainability Strategies in Uganda.

1. Please state the timelines involved in the proposed research project:

Estimated Start Date: 23-Aug-2021

Estimated End Date: 23-Aug-2024

2. External Research Funding (if applicable):

2.a. Do you have any external funding for your research?

☐

YES

☒

NO

If YES, please answer questions **2b** and **2c**.

2.b. List any external (third party) sources of funding you plan to utilise for your project. You need to include full details on the source of funds (e.g. state, private or individual sponsor), any prior / existing or future relationships between the funding body / sponsor and any of the principal investigator(s) or co-investigator(s) or student researcher(s), status and timeline of the application and any conditions attached.