



The Future

of NGOS

Tendai Murisa
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Introduction

The impact of the sudden closure of the United States Agency for International Development (USAID) is already being felt across Africa, especially in the social service sector. The top African recipients of United States (US) aid in 2023, according to the Office of Foreign Assistance in the US Department of State (2025), were Ethiopia (US\$1.75 billion), Egypt (US\$1.45 billion), Somalia (US\$1.2 billion), Nigeria (US\$1.01 billion), and the Democratic Republic of Congo (US\$0.98 billion). The highest funding for HIV treatment went to South Africa (US\$250 million), Mozambique (US\$239 million), Nigeria (US\$220 million), Zambia (US\$215 million), and Uganda (US\$194 million) (Agbetiloye, 2025). There are several non-governmental organisations (NGOs) and nonprofits that were largely supported by USAID. The majority of these have either closed or are in the process of streamlining and cutting down their programs and staffing levels. The closure of USAID has raised the need to revisit funding models and rethink the future of the NGO/nonprofit. Since the mid-1960s, NGOs have risen to be the preferred development partners of Official Development Aid (ODA) agencies. Where the state had been viewed as overly bureaucratic, slow to act and wasteful, NGOs promised the opposite. They were seen as agile, responsive and able to provide services to the underserved at a very low cost.

However, today, the tide has turned. NGOs have become highly differentiated, ranging from large bureaucracies spanning multiple regions to national and local level entities. The larger ones mimic multinational corporations. They are operational in multiple countries and dominate in terms of revenues and the span of work that they do. Some of these have budgets equal to or higher than those of some third-world countries. These are the entities receiving the majority of official development aid. National and local level NGOs remain precarious with insecure funding and are usually seen as junior partners of the large-scale NGO sector. Regardless of size, the majority depend on funding, usually from ODA agencies and private philanthropy.

Furthermore, it is important to note that the closure of USAID is significant in many ways. First, its annual contributions dwarfed the budgets of many other ODA agencies. Second, the announced measures will have a domino effect on other funders who were already struggling to keep up. Third, it was involved in a number of lifesaving initiatives which should not be brought to an abrupt end under normal circumstances. Furthermore, the move by the US government may strengthen thinking that aid no longer holds the moral suasion it once held. The Economist (2025) noted that from 2022, the share of aid from rich countries going to Africa was at its lowest since at least the year 2000. Many feel that the development cooperation system is exhausted. It has not led to transformation but increased dependency within recipient countries. Political support for aid in many countries is waning. It is with this understanding of shifts taking place that we ask if African NGOs and their global counterparts have a future at all.

Context

Even before President Trump led cuts and the eventual shutting down of USAID, we had already seen evidence of waning donor interest. Before President Trump came into office and announced budget cuts, the wealthy nations in the world had already made similar announcements and aid cuts. It has become more drastic and extensive in the last two (2) years. In 2024, eight (8) wealthy countries cut their external aid by a total of US\$17 billion (Gulrajani and Pudussery, 2025). The Netherlands has indicated that over the next four (4) years, it wants to cut its aid budget by EUR8 billion. In France, they cut their aid budget by EUR1 billion in 2024, and Germany reduced its aid budget by EUR2 billion. In addition, with the growing displacement of individuals due to conflict and climate shocks and the pressures on richer countries with an influx of migrants, aid is being used domestically to cater for refugees. In 2023, the United Kingdom (UK) spent 28% of its aid budget supporting refugees in the UK, so it technically became the biggest recipient of its own aid. Recently, the British Prime Minister announced that they will be cutting international aid from 0.5% of the Gross National Income (GNI) to 0.3% instead of increasing it to 0.7% as per their manifesto promise (Merrick, 2025). Many European donors are also cutting aid budgets, including Belgium (25%), Netherlands (39%), Sweden and Switzerland. Those who are not cutting are increasingly under pressure to do so. One observer noted that *'...even if some donors want to embrace the idea that "when they go low, we go high", they cannot and will not fill the gap left by the US'* (Sheldrick, 2025). What they are trying to do, however, is agree on what criteria should guide decisions on which programs to try to 'protect' and coordinate their actions.

NGOs in the Development Terrain

Previous studies on NGOs (see, for instance, Bebbington et al. 2008) were mostly preoccupied with questions of the capacity of the sector to offer alternatives to the dominant socio-economic development models. NGO literature in the 21st century has been very critical of NGO approaches, policies and their impact on poverty in general. Most of the critique is centred on their dependence on external funding rather than social mobilisation for sustainability. Further, the donor communities have become very vocal about how their funds are used, implying that NGOs are more accountable to their funding partners rather than the beneficiary communities. Consequently, it has been argued that NGOs have, instead of developing their own agendas, bent over backwards to develop project interventions that suit the donor's interests.

The various post-2000 crises, including the climate challenge, global economic crisis, and the COVID-19 global pandemic, were opportunities for nonprofits to demonstrate to the whole world the extent to which they can make a difference. The question, 'Can NGOs make a difference?' is perhaps even more relevant today than when it was raised by Bebbington (2008) and others. The exploration of the ways in which the non-profit sector makes direct contributions to the economy was and is still rare. They were always seen as a force for good and not deserving of further scrutiny. In many ways, NGOs are best understood when analysed as part of the philanthropy and official aid value chain. They are viewed as having better expertise/capabilities to deploy resources in effective ways, especially when compared with governments from underdeveloped regions, which are viewed as comprised of bloated bureaucracies with huge overhead costs. The assumption made is that NGOs (especially those in service delivery) can deliver development at a more reasonable cost and that they create lasting value. NGOs are the main consumers of philanthropy/aid products, which are usually in the form of various types of grants and technical support. The service delivery types were mostly viewed as last-mile service providers due to their proximity to beneficiary communities. Their impact (on livelihoods) can be easily measured via the interventions and services that they roll out. Indicators such as the number of youths starting new businesses, the number of projects established, improved access to water, etc., are some of the most common ways to measure the impact of these organisations. However, the last-mile service provider role changes somewhat when it comes to intermediary NGO types that focus on changing the policy and governance landscape. In this instance, they are interlocutors for a new framework of development and democracy and create different kinds of opportunities.

They pursue the big questions of governance conditions and how they affect development and democracy. In many instances, it is difficult to attribute change to a single organisation or project. It is in these instances where probably their direct impact is questioned.

The Future of NGOs

NGOs have always been associated with fragility, short-term contracts for staff and project-based interventions. They were never meant to be a permanent feature replacing government or market actors. The collapse of economies, especially after structural adjustment, led to the pre-eminence and domination of NGOs across Africa. They intervened to save livelihoods, ensured that the transmission of HIV/AIDS was contained/reduced, supplied safe and clean water through various Water, Sanitation, and Hygiene (WASH) programs, increased agricultural productivity, helped to diversify income streams (especially in the rural) and worked to mitigate against climate change impact, amongst many other important social interventions. They also played a huge role in the governance and democratisation space, defending human rights, ensuring officeholders were held accountable for their actions and ensuring that elections were free and fair. Even today, they dominate the public space for the benefit of many. They are mostly seen by many as a force for good. They had to live up to an idea (rarely exercised anywhere else) of reporting on every Dollar/Euro/Pound received from the donors. In the process, they also became the employer of choice in many countries where industrialisation had stalled. Despite all these positive accomplishments, NGOs never managed to have their own resources - except for a few. The majority depend on funding, which has become increasingly unreliable and usually project-based. Some, as we have come to learn, rely on a single donor.

The announcements of budget cuts have created uncertainty in the sector. There are fears of job losses, closure of organisations and abandonment of beneficiaries. Could this be the end of an era for NGOs? However, the failure of both the African state and markets to serve the majority suggests an increased need for NGO-based/led interventions. In the socio-economic space, governments' funding and programming towards health, education and food security have been uneven and borderline erratic. Several communities rely on NGO-led interventions to sustain livelihoods and to secure health and education services. In the governance space, Africa is going through halting processes of democratisation and improving governance processes. Now more than ever, the continent needs a competent NGO-based ecosystem of analysts, advocacy and activists to ensure the preservation of rights, defend democracy, ensure free and fair elections and enhance citizen participation

in electoral and other public processes. Yet, to compound the situation, the NGOs at the centre of building better lives face not only a funding threat but also a legal threat. African countries such as Malawi, Tanzania, Zambia and Zimbabwe have either passed or are on the verge of passing new laws which make it difficult for NGOs to operate.

If this is the beginning of the end of aid, we should maybe take this moment as an opportunity for resetting or rethinking a new model of the NGO of the future. The declining funding suggests that a new paradigm is in the making, and we may easily find ourselves fighting against change and missing out on the opportunity to contribute towards desired outcomes. Here are some important considerations about aid.

First, this could be a moment to shift from a 'charity' framing to one of 'mutual interests'. The Global North's position as a donor region is not by coincidence. It is borne of a history of injustice against Global South countries, especially Africa, which has gone through several rounds of slavery, colonialism, extractivism and illicit financial flows. Other scholars have already made the argument that Africa is a creditor to the world. Data released by the Africa Development Bank (AfDB) and Global Financial Integrity suggests that Africa has lost more money through illicit financial flows than it has received through aid. Approximately US\$30.4 billion is being siphoned out of the continent annually (AfDB, [2013](#)). The conversation should perhaps move beyond Africa's dependency on aid towards (i) an acknowledgement that Africa is a significant player in the global economy, (ii) the institution of mechanisms that ensure Africa is able to retain her money and (iii) reparations for all the damage done to Africa historically.

Second, related to the reparations argument is the need to 'centre mutual interest' in framing the new global order. Africa is presently contributing towards global development through the export of its labour, especially professionals and the financial outflows mentioned above. The developed countries are currently not contributing towards the development of these skills, yet ultimately, they benefit from the services of social workers, nurses, doctors and tech experts who are trained in Africa. In turn, the developed world has been funding NGOs to improve health and education service delivery, which was partially disrupted by the migratory patterns at play. A 'mutual interest' approach would lead to global north countries contributing directly to manpower development across the developing regions given the fact that they are direct beneficiaries of migration of the skilled labour force.

Third, a significant portion of the aid has never left the shores of developed countries. It has instead been used to develop a very sophisticated development complex dominated by International NGOs (INGOs), consulting outfits based in the Global North, and more recently, contractors in the form of private companies which bid for these large grants from ODA entities such as USAID and then sub-grant. The new deal should instead focus on how to undo these power imbalances and ensure that resources from the Global North, whether in the form of aid or in its new configuration, are directly allocated to organisations within the Global South without going through or via intermediaries.

Fourth, aid has always been criticised as a form of band-aid that does not deal with the real causes of why other countries must rely on aid. Could this be the time to focus on restructuring the global economy to ensure that Africa, like the rest of the world, does not get a raw trade deal? Africa exports raw/primary goods and, in many instances, is a price taker. Is the world ready to pay the real prices for Africa's primary goods? Real prices, in this instance, mean that Africa should be able to charge a fair price for the labour used in mining and agriculture and charge for the real environmental damage/depletion caused by mining. Africa should also be able to charge effective taxes on goods entering its countries. Presidents Trump and Xi Jinping are already engaged in similar wars. Africa should be allowed to revise tariffs to ensure its survival.

Fifth, a development levy. Instead of aid, African countries could charge multinationals working across Africa a development levy. Multinationals dominate Africa's underground, on-the-ground and air economies. As of today, the fastest-growing companies in terms of market penetration in Africa are Starlink and Netflix. Africa could easily raise US\$1 billion per month from all the multinationals operating across the continent. It is estimated that Starlink will be operational in 34 countries across Africa by the end of 2025. Netflix is already active in all countries. There are many software development companies, such as Microsoft and Google, that have an unfair advantage over African start-ups and are not paying taxes in the various countries where their goods are purchased.

What Does This All Mean For NGOs?

There is still a major role for the NGO sector across Africa and the rest of the Global South. One even dares to suggest that there will be a growing demand for NGOs servicing the needs of those in the Global North. The combination of the failure of market-based solutions, climate-related crises and the looming threat over global democracy and governance suggests the need for a set of organisations that can navigate the terrain to ensure equitable access to public goods, to keep errant power holders in check and to ameliorate the harsh effects of the market and climate shocks. It is important to note that we do not expect donor aid to totally disappear, but rather, it is going to be gradually reduced. However, NGOs cannot remain the same. They must find pathways of long-term sustainability and leverage resources to drive their mission even in the absence of donors. There are five (5) possible scenarios:

The Community Embedded NGO

Traditionally, NGOs have serviced the needs of communities using resources raised from elsewhere. They have rarely invested in growing communities or local assets. Yet the community foundations movement has taught us that communities have assets that range from skills, natural resources, social capital and in some stances a willingness to mobilise financial resources for a public good from within and from its diaspora-based members. These resources are unevenly spread across communities. The successful NGO of the future should be able to insert itself at the centre of community processes. They build significant levels of trust as an aggregator platform to resolve needs identified by the community. Several organisations fit into this category, but the major difference is that, in many instances, they tend to look for resources from institutional donors located outside of the community.

The Membership-based NGO

Traditionally, any formation comprising of members was either an association or a union. However, the disciplining logic of external funding contributed towards transforming these entities into a donor-facing form of compliance. An increasing number of associations and unions shifted towards complying with donor requirements instead of cultivating membership. Ultimately, the significance of contributions from members declined in terms of the share of the budget. The ongoing shifts suggest the need for an undoing of these changes and reverting to cultivating subscription-paying members. The suggested subscriptions can no longer be a token but instead should be the foundational basis of the organisation's budget.

The transition towards increased dependency on subscriptions will require a new strategy, one that puts members at the centre. It could be an opportunity for re-embedding or reinvigorating participatory-driven agenda-setting in organisations. There have been instances where associations and unions have made the shift to align with donor interests and language and, in the process, either diluted or contradicted the aspirations of constituencies.

The Corporate-sponsored NGO

Corporates across Africa have tried to give back to the communities that they service. They have used various instruments such as corporate social investment, establishment of a corporate foundation, or deliberately reducing the prices of their goods to serve community needs. Some corporates have partnered with NGOs. There is reason to argue for increased collaboration between corporates and NGOs. However, as already mentioned above, the proposed relationship can no longer be just about 'charity'. There is a need for a new framework around shared values. Communities drive corporate success. It is for the benefit of any corporation to see communities thrive, especially in the areas of health and education outcomes. Corporates will have to cover the gap created by the flight of donor capital. On the other hand, several NGOs have capabilities and expertise in achieving social goals at low costs. There is potential for the emergence of synergistic relationships between corporates and NGOs.

The Income-generating NGO

There are very few NGOs with reliable own income streams. They have for years been locked up to dependency on donor funds. There is a growing call for NGOs to transition into social enterprises¹, entities that balance the achievement of social impact with financial sustainability. This is a new domain for many leaders and boards of NGOs.

¹ Social enterprises apply business solutions to social problems. The goal is to achieve sustainability by enabling NGOs to support themselves financially in innovative ways instead of relying solely on grants and donations. Since there are no shareholders in a non-profit organisation, the profits from the related social enterprise are completely re-invested in the work of the organisation. The emergence of revenue-generating activities for NGO has created a new operating model where business principles, market characteristics and values (competition, diversification, entrepreneurship, innovation, and a focus on the bottom line) co-exist and work with traditional public sector values like responsiveness to community and serving the public interest.

There is reason to believe, based on best practices elsewhere, that the NGO of the future will have to identify a commercial niche for itself where it can raise resources with the intention of using the same for social impact. To others, the achievement of financial sustainability will happen simultaneously with social impact. In this instance, the transition will be in the form of monetising products and services that the NGO is already engaged with. These range from charging for reports (such as this one), ensuring paid access to its online platforms, encouraging communities of beneficiaries to contribute financially for services rendered or securing sponsors for services provided. Yet, for others, achieving or securing their own income will mean the establishment of a for-profit company to engage in the marketplace and remit its revenues to the non-profit organisation.

Cause Driven/Campaigns Based NGO

In many instances, NGOs pushing a sustained agenda such as rights for girls can use their campaigns against gender-based violence to raise resources from individuals. There are quite a few organisations that depend on individual donors rather than institutional funders. This should not come as a surprise. There has been a gradual increase in Africa's middle class within and outside of the continent. Furthermore, studies have shown that millennials and Gen Zs are more likely to contribute to causes via financial gifts. The fact that the continent has the highest penetration of mobile-based financial technology suggests the ease of use of digital platforms to raise funds. Indeed, we have already seen the emergence of platforms such as www.africagiving.org that allow for individual donations from across and outside the African continent.

The Hybrid NGO

The hybrid sweet spot will be for those who can achieve hybridity by combining any two or three of the above. The fluidity of the emerging context will require that many organisations adopt a hybrid posture with the capability to straddle different models without compromising on the need to achieve their mission. Additionally, these hybrid organisations may find ways of seamlessly integrating with individual giving strategies.

Traits Required For Survival In The Future

Clear Mission and Impact

The future belongs to the organised. The period ahead is likely to favour those organisations that have a laser focus on achieving a properly delineated mission. It had become normal practice in the past to move from one focus area to another based on shifting donor priorities. Typically, organisations moved from a focus area such as HIV/AIDS to climate change, usually in response to the availability of resources. The mission was subsumed to existing funding opportunities.

In the future, organisations will be rewarded for their fidelity to achieving their mission goals. They will have to be able to tell their impact story. Very few organisations have invested sufficient resources and effort in communicating the change they are making.

The new era requires organisations to competently tell the story of the change that they are making. The stories to be told should reflect the impact being made on the ground and leverage the multiple digital stories. Where possible, those benefiting from the change should be part of the storytelling initiatives.

Return to Basics - Adopt Low-Cost Models

In the recent past NGOs had evolved into sophisticated bureaucracies with complex reporting structures, mimicking what is in place within the larger INGOs. These institutional arrangements were necessary and almost always informed by donor requirements around clear separation of duties and effectiveness. Unfortunately, these requirements increased the overhead costs of many organisations. The NGO of the future must return to basics. As mentioned earlier, the NGO model was popular because it could deliver change at a very low cost. There is a need to rediscover that model and ensure that overhead costs, or the cost of delivering change, are less than 10% of the organisation's budget. This will mean a return to lean and nimble structures. These structures should allow for quick and responsive decision-making.

Return to Basics - Adaptive Capacities

Whilst fidelity to mission is commendable and will be rewarded, there is also a need to create capacities to adjust behaviours and programming approaches in response to changing contexts and new data/evidence. The mission does not need to change, but how we seek to achieve it will matter. In many instances, organisations have become comfortable with the set of tools that they have used for many years. There is an urgent need to revisit the existing tools/approaches and explore how, for instance, leveraging technology could contribute to achieving impact at reduced costs.

Beyond Silos Towards Collaborative Platforms

Several studies focused on the impact that NGOs make have raised concerns about duplication of efforts due to silo-based approaches (see Murisa, [2020](#)). The current environment is characterised by competition for resources and territory. The organisations likely to survive will be those that can shift from a competitive posture into one of peer collaboration. The envisaged collaborative platforms are more likely to achieve broader change within a shorter space of time than a single organisation. They are more likely to raise more resources than a single NGO. Others have argued that ‘Collaboration is the heartbeat of social change, and when NGOs unite, their impact is magnified.’ (Promoting Local Response Capacity and Partnership (PLRCAP), [2023](#)).

Studies have shown that collaborative platforms with a high likelihood of success are those made up of various types of organisations inclusive of national and local-level focused entities. Collaborative initiatives should, where possible, combine intermediary work (inclusive of research, analysis and advocacy), practice and service delivery. Currently, organisations working across these three areas rarely collaborate, yet they usually work within the same community and address similar problems. A collaborative-based approach will potentially contribute towards a broader/comprehensive approach to fixing the problem within the communities.

Conclusion: A New Era Beckons

The development landscape is on the cusp of significant disruption. Could this be the moment to rethink development models- starting with rethinking the form and structure of the vehicle that has been in use since the end of the Second World War? The fact that NGOs have been useful is not in dispute, but they have always been too fragile and open to 'influence' from the highest bidder. Can this moment lead to the emergence of a more reliable development- and democracy-focused agency, with capabilities to navigate and balance the achievement of the mission together with its own long-term financial sustainability? Perhaps, without overburdening NGOs, it is possible that beneficiaries of NGO-based interventions, such as communities and governments, can contribute to their long-term sustainability.

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