

FACTORS AFFECTING SUSTAINABILITY OF LOCAL NON-GOVERNMENTAL ORGANIZATIONS (LNGOs) IN AFGHANISTAN

Case Study: Local NGOs Operating in Herat Province

Authors: Mohammad Dawude Temory, PhD¹
Mohammad Naser Rahimi, MA

ABSTRACT

Local non-governmental organizations play an important role in the development processes of a country. These organizations have experienced sustainability challenges that made them close down after a few months of operation. The local NGOs usually face to an uncertain future, as they depend on volatile external donor funding which leaves them financially unsustainable.

The purpose of this research was to find out factors affecting sustainability of local NGOs in Afghanistan and the specific objectives of this study was to establish and determine the effect of donor relationship management, human resource management, fund development, income diversification, management competence, and community engagement on the sustainability of local NGOs in Afghanistan.

Through a mixed methods research design including literature review, secondary data analysis and a survey using a structured questionnaire. Both descriptive and inferential statistics were used in analysis of the data and the data was presented through tables and graphs.

The study concludes that donor relationship management, human resource management, fund development, income diversification, management competence and community

¹ Academic cadre of Herat University

engagement positively affect sustainability of local NGOs in Afghanistan.

The multi linear regression analysis revealed that the six independent variables accounted for about 83 percent of the variations in the dependent variable (sustainability), suggesting that there were other factors not looked at by the research assignment that accounted for about 17 percent of the variations and these would need to be looked into in future studies

Keywords: Non-governmental organization, Sustainability, Donor relationship, Human resource, Fund development, Income diversification, Management competence, Community engagement.

INTRODUCTION

The past decade saw an increase in numbers of local non-governmental organizations (LNGOs) operating in many developing countries and these entities evolved and won public confidence as key players in development (Amagoh & Kabdiyeva, 2012; Okorley, Deh & Owusu, 2012). Despite the increasing role of LNGOs in economic development and other sectors, their definition remains contested and ambiguous (Chimanikire, 2002; Kajimbwa, 2006; Lekorwe & Mpabanga, 2007; Kabdiyeva, 2013a). The NGO concept emanated in 1945 as the United Nations (UN) needed to accord consultative status to organizations not regarded as governmental entities (Willett, 2002). It is widely acknowledged that NGOs are not-for-profit organizations whose aims are to relief the suffering of poor communities, implement community development projects, and provide basic services (Cleary, 1997).

A Non-Governmental Organization (NGO) is an organization that is neither a part of a government nor a conventional for-profit business. It is usually set up by ordinary citizens; NGOs may be funded by governments, foundations, businesses, or private persons (Holloway, 2003).

In the case of Afghanistan, an NGO is a domestic or foreign non-governmental, nonpolitical, and not-for-profit organization. A founder of an NGO can be a natural or legal person, and either domestic or foreign. At least two founders are required to establish an NGO, one of whom must have a residence and exact address in Afghanistan. The Law on NGOs lacks clear guidance on the registration of networks. While the law does address registration of coordinating bodies and umbrella organizations, unlike these

types of organizations, networks conduct advocacy and lobbying rather than just having a coordination function. Thus most networks remain unregistered, while some register as individual NGOs (USAID, 2015, 2).

Local NGOs face many challenges, including lack of sustainability of their programs due to funding problems (USAID, 2010; Manyeruke, 2012; NANGO, 2013). Most of their funding comes from international donors. In their study on NGO sustainability across 19 Sub-Saharan African countries, USAID (2010: 28) concluded that local NGOs had strengths in service delivery, but lack of financial sustainability was their main weakness across the continent as they depended on a single source of funding – external donors. While reliance on external aid is reflective of the wider economic context of African countries, if international donors pulled out LNGOs would collapse (USAID, 2010).

Financial sustainability of a LNGO is also about being able to continue operations even if some donors were to pull out from funding the organization. An organization that is able to diversify its funding base is more financially sustainable than one that has huge income but from one donor (Lewis, 2011). The more diversified the funding mix of an LNGO, the more financially sustainable the entity is (Lewis, 2011).

Lewis (2011) found that most LNGOs in Africa were donor dependent and did not raise their own income, and this made them lose independence in terms of the programs they implemented.

This research assignment sought to contribute towards covering this gap in the literature and will analyze known factors determining sustainability of local NGOs and provide recommendations that could help make LNGOs sustainable in the country. The scope of this research assignment will be limited to the analysis of donor relationship management, human resource management, fund development, income diversification, management competence and community engagement factors that will contribute the sustainability of local NGOs in Afghanistan.

BACKGROUND OF THE STUDY/LITERATURE REVIEW

Nongovernmental organizations form part of the fabric of many cultures globally, regionally and in Afghanistan. As Wright (2015) pointed out, the services provided by these organizations are crucial as they focus on the gaps not addressed by the government and private sectors. However, as the world population and economy grows, the gaps seem to burgeon beyond the means of nongovernmental organization with sustainability becoming a far-flung goal.

Implementation of programs among nongovernmental organization is dependent of support received from governments and other well-wishers who wish to see them supplement the efforts of governments in provision of goods and services to less privileged members of society. These organizations find themselves in a situation where their agenda keeps on increasing against constrained resources. This is mainly because they are not engaged in profit generating activities therefore may not have adequate resources to plough back for continued operations into unforeseen future. The limited opportunities to generate revenue make them more susceptible and cast doubt on their continued operations into the unforeseen future. (Janet 2018)

According to Renz and Associates (2016), sustainability is important for continued operations of the nongovernmental organizations in execution of its programs. It entails the ability to come up with diverse resource base to enable continued provision of goods and services to the targeted beneficiaries beyond the financial support period by main donors. For an organization to survive, it should have the ability to acquire and maintain resources (Lin and Wang, 2016). Financial resources form part of the most fundamental resources to nongovernmental organizations depending on growth and survival; hence, it is vital for them to promote a healthy financial position and performance to achieve its goals.

Several means exist by which nongovernmental organizations can use to ensure program sustainability. Hoka (2009) identified self-sustainability as one of these approaches where nongovernmental organization initiate ventures that are revenue generating to supplement the income raised from donors, grants and well-wishers. Other approaches include building a culture that promotes volunteerism, cooperation and giving among the local society members. This has been found to be a key approach in ensuring sustainability of non-governmental organizational programs across the world.

The issue of sustainability among nongovernmental organizations has been a subject of discussion across the globe. For instance, VanSant (2003) examined challenges that nongovernmental organizations faced in a highly dynamic environment. The study considered the changing roles of NGOs in society, contextual factors including globalization, developments in information, communication and technology, networking, and the regulatory framework. It was clear that the regulatory framework played a key role in NGO sustainability. It determined how they were to utilize the sourced funds and how the sourcing was to be done. Depending on the regulation regime, it could be restraining or liberal.

Lin and Wang (2016) explored sustainability of nongovernmental organizations during the global financial crisis with focus on human services and community improvement organizations in New Jersey. The study explored effects of fundraising efforts, revenue diversification, operating margin, equity ratio and administrative costs and debt ratio on financial sustainability. According to Lin and Wang (2016), previous studies evaluated financial performance based on income measures such as donations only but did not consider other contributing factors to financial sustainability such as management and organizational characteristics. In addition, the study was done to address immediate and long-term challenges faced in the wake of a financial crisis. The study proposed to research further on sustainability of a wider range of nongovernmental organizations as the study focused on community improvement and human services only.

Abdelkarim (2012) noted that it is only organizations capable of building sound financial systems and attracting or generating steady income flows that will be able to continue to exist. To be able to generate a positive balance sheet that allows a LNGO to continue in operation and accord itself flexibility to respond to ever-changing environment and needs, sound financial management practices, management competence, good donor relationship management and a diversified funding base are imperative (Leon, 2011).

In another study, Wright (2015) identified the gaps that impede the ability of nongovernmental entities to achieve sustainability. The study was done on social service nongovernmental organizations in Central Okanagan, Canada and identified the following challenges faced: organizational and board capacity, financial capacity and community engagement. The study showed that studies done have similar findings but conflicting solutions and proposes further research to be done on additional nongovernmental organizations.

Williams (2015) investigated strategies to offers a better understanding of how non-profit organizations can be financially stable. The study explored fund development, strategic planning & thinking as well as capacity to innovate in five NPOs in the health, social services, development arena. The study provides that the issue of sustainability in the non-profit sector is much talked about but less research has been done. It proposes further research on sustainability strategies and applicability of for- profit strategies in the nonprofit context.

In another study, Batti (2014) examined the challenges facing local NGOs in resource mobilization. The study acknowledges the role played by resource mobilization in strengthening the nongovernmental organizations. Resource mobilization needs to be widened to include fund raising from diverse sources so that the projects started can last and impact the community positively for a

long time. The study covered the entire resource mobilization framework from submission of grant proposals, application for donations, technical support, human capital requirements, facilities, information and equipment, and the likely resources providers. The resource providers ranged from international NGOs, cooperative movements, private businesses and governments.

Amagoh and Kabdiyeva (2012) examined some of the obstacles to sustainable development faced by nongovernmental organizations sector in Kazakhstan. The study identified the following factors: transparency and accountability, financing, governance and management structure and human resources.

Bromideh (2011) focused on widespread challenges of NGOs in developing countries using the case studies from Iran. The study acknowledges the role played by NGOs in economic development of developing economies in times of difficult including draught, famine, and catastrophes. It was established that NGOs are a critical source of social justice to marginalized persons in developing countries. However, the study established that NGOs were weak at staff career development, which meant that their ability to deliver desirable results were limited. Other challenges included disproportionate compensation of NGO sector compared to private sector, which demotivated staff. Following this lower pay and lack of career development programs, the employees had little professional skills that could enable them perform optimally. Other challenges included: limited financial and management expertise, limited institutional capacity, low levels of self-sustainability, isolation/ lack of inter-organizational communication and/or coordination, lack of understanding of the broader social or economic context difficulties of managing NGOs especially for NGOs operating in many countries.

Saungweme (2014) examined challenges faced by NGOs in the political harsh climate of Zimbabwe by analyzing the factors influencing sustainability. The study considered factors around sound financial management practices, income diversification; own generating activities and good donor relationship management practices. The findings indicated that the organizations raised insignificant revenue; incomes were not diversified and were highly dependent on external donor national governments.

Okorley and Nkrumah (2012) focused on organizational factors influencing sustainability of local nongovernmental organizations in Ghana. From a review of a number of nongovernmental organizations, the study acknowledged existence of various factors including inadequacy of financial resources, the quality of material resources, types of leadership in the organization, resonance of programs and projects among the stakeholders, and

management competency. The most important factor was leadership as it influenced how other resources were utilized within the organization. The community served plays a critical role in determining the success of projects initiated by nongovernmental organizations. This therefore means that the level of support and acceptance of projects initiated by non-governmental organizations would determine the confidence that donors and other well-wishers will have in the organization and their willingness to continue financing the operations.

USAID has conducted assessment on the CSOs (NGOs, Associations, Unions and so on) sustainability's index in Afghanistan and its 2015 report depict that Legal environment, Organizational capacity, Financial viability, Advocacy, Service provision, Infrastructure and Public image are the important factors for measuring the sustainability of CSOs in Afghanistan (USAID CSOSI, 2015).

THEORETICAL CONTEXTUALIZATION

These theoretical arguments have been widely used by scholars to analyze the existence, sustainability and role of the non-profit sector. These theories include the contract failure theory, government failure theory, resource dependency theory, institutional theory, power relation theory, and principle agent theory. These theories mainly discuss the phenomenon of the non-profits' existence and continued proliferation over the years. The resource dependency theory is one of the key theories discussed for this research.

RESOURCE DEPENDENCY THEORY

The resource dependency theory was advanced by Pfeffer and Salancik (1978). Resource dependence theory (RDT) maintains that organizations are resource-insufficient; they strive to acquire and sustain resources from their external environment. Pfeffer and Salancik (1978) argue that resources are controlled by external actors who exert demands on the organization. These actors perceive certain advantages in their relationship with the organization and exercise power through control over resources. The heavier the dependence on external resources, the more the demands of particular actors controlling these resources are influential. The challenge is for the organization to proactively and effectively manage incompatible and competing demands.

Local NGOs rely more on external funders (donors), face instability in the flow of funding, and deal with volatile demands (Moore, 2010). Accordingly, organizational behavior is a reflection of the NGO's management of its dependence on an external resource and the ensuing demands of a donor controlling the resources. The magnitude of resource dependence often

determines the financial behavior of an NGO which in turn affect the financial sustainability of the NGOs (Scott, 2004). If an NGO fails to meet the conditions set by the external funders, the donors may withdraw the funding making the NGO face financial sustainability issues. The NGO may not be able to fund the projects due to instability of funding flows.

RESEARCH OBJECTIVES

1. To establish the effects of donor relationship management on the sustainability of local NGOs in Herat, Afghanistan.
2. To establish the effects of human resource on the sustainability of local NGOs in Herat, Afghanistan.
3. To establish the effects of fund development on the sustainability of local NGOs in Herat, Afghanistan.
4. To determine how income diversification affects the sustainability of local NGOs in Herat, Afghanistan.
5. To determine whether management competence affects the sustainability of local NGOs in Herat, Afghanistan.
6. To determine whether community engagement affects the sustainability of local NGOs in Herat, Afghanistan.

RESEARCH QUESTIONS

- 1) To what extend does donor relationship affect the sustainability of local NGOs in Herat, Afghanistan?
- 2) How does human resources affect the sustainability of local NGOs in Herat, Afghanistan?
- 3) To what extend does fund development affect the sustainability of local NGOs in Herat, Afghanistan?
- 4) How does income diversification affect the sustainability of local NGOs in Herat, Afghanistan?
- 5) To what extend does management competence affect the sustainability of local NGOs in Herat, Afghanistan?
- 6) How does community engagement affect the sustainability of local NGOs in Herat, Afghanistan?

RESEARCH METHODOLOGY

Research Design

This study was based on causal research design. This type of research is used to measure what impact a specific change will have on existing norms and assumptions. Causal effect (nomothetic perspective) occurs when variation in

one phenomenon, an independent variable, leads to or results, on average, in variation in another phenomenon, the dependent variable. A questionnaire was used in the data collection with the data analyzed using both descriptive and inferential statistics.

The design is deemed relevant in that the study is based on the factors (donor relationship management, human resource management, fund development, income diversification, management competence, and community engagement) and their relationship to the sustainability of local NGOs in Herat province of Afghanistan.

Sample Size

In this study, the Cochran finite population formula was used for the determination of sample size which is as follow:

$$n = \frac{N(Z_{\alpha/2})^2 \cdot P(1 - P)}{Ne^2 + (Z_{\alpha/2})^2 \cdot P(1 - P)}$$

$$n = \frac{135 (1.96)(0.5)(0.5)}{135 (0.05)^2 + (1.96)(0.5)(0.5)} \Rightarrow n = \frac{66.15}{0.8275} \Rightarrow n = 79.93$$

Where:

n = Sample size

N = Population (135)

P = Success Probability (50%)

Z = 1.96 (Confidence Interval 95%)

e = 0.05

So, based on the above formula and calculation, the sample size was determined **80** local NGOs which are operating in Herat province of Afghanistan.

Data Collection and Analysis

In this research, two types of data are used and in order to obtain the secondary data the researcher examined and or reviewed different types of relevant books, papers, publications, journals and articles through online and offline resources.

And in order to obtain the primary data the researcher used an administrated structured questionnaire that comprised closed ended aspects in line with the objectives of the study and a five point Likert scale will be used for closed ended questions.

The questionnaires are edited for completeness before coding. Once coded, the questionnaires entered into the Statistical Package for Social Sciences

(SPSS, v.25) computer package. Both descriptive and inferential statistics are used in this study.

Descriptive statistics is used to describe and make sense of the data. The descriptive statistics comprised of percentages, means and standard deviations. Regression analysis is the main inferential statistics that will be used to establish the effect of various factors affecting sustainability of NGOs in Herat, Afghanistan. In addition, the researcher conducted a multiple regression analysis to determine the extent to which the factors influence sustainability in nongovernmental organization in Herat, Afghanistan. The study used the model below:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \varepsilon$$

Where by:

Y = Local NGOs sustainability

X₁ = Donor relationship management

X₂ = Human resource

X₃ = Fund development

X₄ = Income diversification

X₅ = Management competence

X₆ = Community engagement

β₀ = Y-intercept as a coefficient

β₁- β₆ = coefficient representing change on Y

ε= the error term

RESULTS & FINDINGS

This research was conducting in Herat province targeting the local non-governmental organization operating in Herat province. As indicated in research design, 80 out of 135 active local LNGOs were selected through the sampling formula and with 91.25% of response rate, 73 out of 80 respondents provided responses for the questionnaires.

Demographics:

The study findings indicate that majority (89%) of the respondents were males whereas 11% indicated they were females. These findings indicate that both genders were involved in this study and thus the results did not suffer from gender biasness. In terms of education level, majority (58.9%) of respondents had bachelor degree followed by 39.7% master degree and 1.4% high school graduates in which indicate reliable responses are provided considering the understanding of the questions.

Descriptive Statistics

The respondents were asked to indicate their level of knowledge on the aspects/indexes of the independent variables (donor relationship management, human resource management, fund development, income diversification, management competencies and community engagement) affecting of the dependent variable (sustainability) considering the 5 Likert scale rated (strongly disagree, disagree, neutral, agree and strongly agree) and below is the analysis.

Table 1: Descriptive Statistics

Descriptive Statistics								
	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
Donor Relationship Management	73	3.20	1.80	5.00	4.0466	.07798	.66627	.444
Human Resource Management	73	3.20	1.80	5.00	3.8000	.08698	.74312	.552
Fund Development	73	2.80	2.20	5.00	3.9753	.08385	.71643	.513
Income Diversification	73	3.00	2.00	5.00	3.7397	.09320	.79630	.634
Management Competence	73	3.00	2.00	5.00	4.0521	.07832	.66918	.448
Community Engagement	73	3.33	1.67	5.00	3.7489	.08116	.69340	.481
Valid N (listwise)	73							

According to the above table (1), the mean statistics for donor relationship management is 4.046 and for management competence is 4.052 which demonstrate the high closeness to highest level of agreement (strongly agree), and consequently, for human resource management is 3.8, for fund development is 3.975, for income diversification is 3.739 and for community engagement is 3.748 which reveal much closeness to a strong level of agreement (agree) with the effects of the independents variables to the dependents variable.

Correlation of Variables

The correlation between the dependent variable of sustainability and the independent variables including donor relationship management, human resource management, fund development, income diversification, management competence and community engagement investigated via Pearson product-moment correlation coefficient.

Table 2: Correlation of variables

Correlations		
Independent Variables		Sustainability
Donor Relationship Management	Pearson Correlation	.829**
	Sig. (2-tailed)	.000
Human Resource Management	Pearson Correlation	.712**
	Sig. (2-tailed)	.000
Fund Development	Pearson Correlation	.733**
	Sig. (2-tailed)	.000
Income Diversification	Pearson Correlation	.575**
	Sig. (2-tailed)	.000
Management Competence	Pearson Correlation	.727**
	Sig. (2-tailed)	.000
Community Engagement	Pearson Correlation	.330**
	Sig. (2-tailed)	.004
	N	73
**. Correlation is significant at the 0.01 level (2-tailed).		

A Pearson correlation coefficient was computed via SPSS to assess the relationship between the sustainability of local NGOs and the independent variables. The result in the above table depict that there was a positive correlation between the dependent and independent variables ($r > 0$, $p < 0.005$, $n = 73$).

Model Summary

The model summary in the below table displays information about the variables related to each other. The model consists of the independent variables (donor relationship management, human resource management, fund development, income diversification, management competence and community engagement) which are used to predict the dependent variable (sustainability).

The model revealed that $R = 0.919$ which is very strong relationship. This suggested our model is relatively very good predictor of the outcome.

According to the model, $R^2 = 0.844$ which indicated that 84.4% of the variance in the data can be explained by the independent variables.

Table 3: Model Summary

Model Summary				
Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	.919 ^a	.844	.830	.27934
a. Predictors: (Constant), Community Engagement, Fund Development, Income Diversification, Human Resource Management, Management Competence, Donor Relationship Management				

From the findings, the value of adjusted R squared was 0.830, an indication that there was variation of 0.830 on sustainability of local NGOs Afghanistan due to changes in donor relationship management, human resource management, fund development, income diversification, management competence and community engagement at 95% confidence interval. This shows that 83% changes on sustainability of local NGOs in Afghanistan could be accounted for by changes in donor relationship management, human resource management, fund development, income diversification, management competence and community engagement. This shows that 17% change in sustainability of local NGOs in Afghanistan is accounted by other factors.

Analysis of Variances (ANOVA)

ANOVA test is a way to find out if survey results are significant or not. According to the ANOVA, a significant regression equation was found ($F(6, 66) = 59.635, P < 0.000$), with R^2 of 0.844.

Table 4: ANOVA

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	27.919	6	4.653	59.635	.000 ^b
	Residual	5.150	66	.078		
	Total	33.069	72			

a. Dependent Variable: Sustainability

b. Predictors: (Constant), Community Engagement, Fund Development, Income Diversification, Human Resource Management, Management Competence, Donor Relationship Management

From the ANOVA statistics, the study established the regression model had a significance level of 0.000 which is an indication that the data was ideal for making a conclusion on the population parameters. An indication that donor relationship management, human resource management, fund development, income diversification, management competence and community engagement

affect the sustainability of local NGOs in Afghanistan. The significance value was less than 0.05 indicating that the combined relationship between the selected factors on the sustainability of local NGOs in Afghanistan was significant.

Coefficients

A single linear regression was calculated to predict the sustainability of local NGOs based on the donor relationship management, human resource management, fund development, income diversification, management competence and community engagement and to understand the significance level to draw out a result of acceptance and or rejection of the independent variables on the dependent variable.

Table 5: Coefficients

Coefficients ^a		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	-.544	.265		-2.050	.044
	Donor Relationship Management	.369	.078	.363	4.721	.000
	Human Resource Management	.145	.062	.159	2.345	.022
	Fund Development	.236	.063	.249	3.717	.000
	Income Diversification	.115	.049	.135	2.334	.023
	Management Competence	.183	.069	.181	2.635	.010
	Community Engagement	.114	.050	.116	2.283	.026

a. Dependent Variable: Sustainability

Assuming a linear relationship between the independent and the dependent variable and guided by OLS estimation methods, the relationship between the independent and dependent variables as presented by the regression model was tested. The multiple regression equation was;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \varepsilon$$

Where Y = Local NGOs sustainability, X1 = Donor relationship management, X2 = Human resource, X3 = Fund development, X4 = Income diversification, X5 = Management competence, X6 = Community engagement, β_0 = Y-intercept as a coefficient, β_1 - β_6 = coefficient representing change on Y, and ε = the error terms.

From the data in the above table the established regression equation was;

$$Y = -0.544 + 0.369X_1 + 0.145X_2 + 0.236X_3 + 0.115X_4 + 0.183X_5 + 0.114X_6 + \epsilon$$

From the above regression equation, it was revealed that holding donor relationship management, human resource management, fund development, income diversification, management competence and community engagement to a constant zero, sustainability would be at -0.544. A unit increase in donor relationship management would lead to increase in sustainability of local NGOs by 0.0369, a unit increase in human resource management would lead to increase in sustainability of local NGOs by 0.145, a unit increase in fund development would lead to increase in sustainability of local NGOs by 0.236, a unit increase in income diversification would lead to increase in sustainability of local NGOs by 0.115, a unit increase in management competence would lead to increase in sustainability of local NGOs by 0.183, and a unit increase in community engagement would lead to increase in sustainability of local NGOs by 0.114. All the factors were found to significantly affect sustainability as the p-value for all the variables is below 0.05.

CONCLUSION AND RECOMMENDATIONS

The research assignment revealed that local NGOs in Afghanistan were not sustainable and the organizations were highly dependent on external donor funds, with weakness in management, fund development and human resource and raised insignificant revenue from own income generating activities and local donors, and their income sources were not diversified. The assigned also revealed that all six factors of sustainability analyzed had an influence on sustainability of local NGOs in Afghanistan. Based on these findings, donor relationship management and fund development practices were the most important factor followed by management competence, then human resource and income generation and lastly community engagement practices. The regression analysis revealed that the six independent variables accounted for about 83 percent of the variations in the dependent variable (sustainability), suggesting that there were other factors not looked at by the research assignment that accounted for about 17 percent of the variations and these would need to be looked into in future studies.

The below recommendations are derived from the research findings:

- NGOs should improve their relationship with donors through creating a reporting mechanism that increase the accountability, openness and assurance to the donors and establishing a brand that donors can count on LNGOs easier. There is also a need for

capacity building of LNGOs in Afghanistan on different donor funding mechanisms and requirements.

- NGOs should seek for the qualified staff and provide a working environment with better remuneration that increase the staff willingness and result in the increasing of head count staff and their loyalty to the organization. The proper HR policies and practices can make the NGOs reliable for donors funding.

- NGOs should improve their organization structure and invest more on fund raising and fund development through allocating specific unit and fund for this purpose, developing proper strategic plans and periodically review the strategic plans. Staff participation and proper communication should be highly encouraged. It is also important to ensure that the budgeting methods used by most of the NGOs for funding of operations and projects are within the specified limits for financial sustainability.

- Local NGOs should diversify their income through donors by tapping more and different international donors, government and come up with income generating projects and or businesses. This would ensure continuity of the projects in case of withdrawal of donor funding.

- NGOs should lay emphasis on hiring management staff who are competent, this is because competence of staff significantly affects the sustainability of NGOs. Nevertheless, the management should be frequently trained to ensure continued competence level. NGOs should continue having in place proper structures of organizational governance. Top management should continue understanding the purpose of their respective organizations and takes the lead in their achievements. This is possible by having quality leadership with the required skills, competence and experience. Management should also adopt staff policies that motivate and maintain employees within the organization.

- NGOs for their part should also actively pursue partnerships with other NGOs, government national programs, corporates and request them to fund their work as a way of giving back to communities from which they make their profits. Some NGOs can involve the community members in designing and implementation of the community based project and can motivate and accept the individuals' charities and assistance for addressing the very needy

and vulnerable people needs. This will help the organization to be considered as active organization.

REFERENCES

- Abdelkarim, N. (2012). **The long-term sustainability of the Palestinian NGO sector: An Assessment**. Palestine: The Welfare Association Consortium.
- Amagoh, F. and Kabdiyeva, A. (2012). **Management issues for improving NGO sustainability in Kazakhstan**. World Journal of Social Sciences, 2(30), May 2012, 31-40.
- Batti, R. C. (2014). **Challenges Facing Local NGOs in Resource Mobilization**. Humanities and Social Sciences, 2(3): 57–64.
- Bromideh, A.A. (2011). The widespread challenges of NGOs in developing countries: Case studies from Iran. International NGO Journal. 6(9), 197-202.
- Chimanikire, D.P. (2002). **The role of NGOs in African economic development**. In Jalloh, A.A. (ed.), The challenges of globalization to democratic governance in Africa: what role for civil society and other stakeholders? Addis Ababa: Development Policy Management Forum.
- Cleary, S. (1997). **The role of NGOs under authoritarian rule**. New York: Macmillan Press.
- Hoka. (2009), **Supporting the not-for-profit sector: self-sustainability**, The Modern Law Review. 67(4), .632-657.
- Holloway, R. (2001) **Towards Financial Self-Reliance**. A handbook of Approach to Resource Mobilization. London: Earthscan.
- Kabdiyeva, A. (2013a). **Developing sustainable NGOs in Kazakhstan**. Asian Social Science, 9(7), June 2013, 300-305.
- Kajimbwa, M. (2006). **NGOs and their role in the global south**. The International Journal of Not-forProfit Law, 9(1), December 2006. [Online] Available: http://www.icnl.org/research/journal/vol9iss1/art_7.htm Accessed:18 June 2014.
- Lekorwe, M. and Mpabanga, D. (2007). **Managing non-governmental organizations in Botswana**. The Public Sector Innovation Journal, 12(3), 1-18.
- Leon, P. (2011). **Four pillars of financial sustainability**. Arlington: The Nature Conservancy.
- Lewis, T. (2011). **Financial sustainability essentials: Course handbook**. Oxford, UK: Management Accounting for Non-Governmental Organizations (MANGO).
- Lin, W. and Wang, Q. (2016). **What helped Nonprofits Weather the Great Recession? Evidence from Human Services and Community Improvement Organizations**. Nonprofit Management & Leadership, 26(3), 257-276

Manyeruke, C. (2012). **Mitigating the effects of the global financial crisis in Zimbabwe: the alternative strategies for the non-governmental organizations.** African Journal of Social Science 2(2), 1-9.

Moore, D. (2010). **Laws and other mechanism for promoting NGO financial sustainability.** The Journal of Development Studies, 37(1), 25-56.

Okorley, E. L., & Nkrumah, E. E. (2012). **Organizational factors influencing sustainability of local non-governmental organizations: Lessons from a Ghanaian context.** International Journal of Social Economics, 39(5), 330-341.

Okorley, E., Deh, J. and Owusu, R. 2012. **A Ghanaian case study of strategies of ensuring accountability by non-governmental organizations.** Journal of Sustainable Development in Africa, 14(7), 43-54.

Pfeffer, J. and Salancik, G. R. (1978), **The External Control of Organizations: A Resource Dependence Perspective**, Harper & Row, New York.

Renz, D.O. & Associates (2016). **Nonprofit Leadership & Management** 4th Edition. NJ: John Wiley & Sons Inc.

Saungweme, M. (2014). **Financial sustainability of local NGOs In Zimbabwe (Unpublished Thesis).** Cape town, SA: Stellenbosch University, South Africa.

Scott, W. R. (2004). **Institutional theory: Contributing to a theoretical research program.** In K. G.

USAID. (2015). **CSO sustainability index for Afghanistan.**

USAID (2015). **CSO sustainability index for Sub-Saharan Africa.** Retrieved from https://www.usaid.gov/sites/default/files/documents/1866/2015_Africa_CSOS I.pdf

Vansant, J. (2003). **Challenges of Local NGO Sustainability.** Paper presented at the USAID/PVC-ASHA Annual PVO Conference, Duke University.

Wambui Gitonga, Janet. (2018). **Factors Influencing Sustainability Of Nongovernmental Organizations** In Nairobi County, Kenya, Master Thesis, United States International University-Africa

Willett, P. (2002). **What is a non-governmental organization?** London: City University. [Online] Available: <http://www.staff.city.ac.uk/p.willetts/CS-NTWKS/NGO-ART.HTM> Accessed: 5 June 2014.

Williams, K.S, (2015). **Non-profit Financial Sustainability.** Unpublished Dissertation, Dalhousie University.

Wright, A. (2015). **Challenges in Achieving Non-profit Sustainability: A Study of the Social Service Non-profit Sector in the Central Okanagan.** Unpublished Dissertation, Okanagan College.