

**ANALYSIS OF CHALLENGES FACED BY LOCAL NON GOVERNMENTAL ORGANIZATIONS IN GETTING SUSTAINABLE SOURCES OF FUNDING  
A CASE STUDY OF ARDI**

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**ABSTRACT**

At the end of this research, the researcher was able to identify challenges that Local NGOs face in getting sustainable sources of funding using Association Rwandese pour le Development Intégré (Rwandan Association for Integrated Development)-ARDI as case study in order to contribute to the resolution of problems that Rwanda local NGOs face in getting sustainable funding to implement their activities.

The objectives of the study were to identify the nature and types of sources of funding in ARDI; to identify the nature of self-financing of local NGOs; to evaluate the portion of self-financing in ARDI the total funding and shows its relevance and to determine whether ARDI knows and uses appropriate techniques and strategies of fundraising while dealing with its donors.

The study also aimed to inspire and help Rwanda local NGOs to use the findings of this study to improve their managerial skills and establish sustainable systems for their financing structure. The findings of this study will also hopefully guide new founders of local NGOs in Rwanda on how to establish sustainable mechanisms of financing while creating a NGO. Local NGOs will inspire to findings of this research and think of self-financing and incorporate it in their regular sources of financing and will get mechanisms of increasing it on regular basis. Finally, the local NGOs will inspire to findings of this study to increase their techniques and strategies of fundraising which will help them to get sustainable funding for the implementation of their projects.

To conduct this research, the researcher used existing documentation at ARDI to get the information on the types and sources of funding and mechanisms of funding, the self-financing system and the portion of the self-financing in the global budget of the ARDI. A questionnaire was developed and given to senior staff members of ARDI to ask them about their funding systems, mechanisms, techniques and strategies of fundraising.

At the end of the research, data collected were analysed, commented on and conclusions and recommendations were formulated accordingly. In summary, the objectives of the research were achieved since the researcher's questions were responded accordingly and most of them confirmed his assumptions.

In the course of this study, the researcher found that ARDI prepares the strategic plan for only 3 years and nothing for 5, 10 or over 10 years as. The researcher also found that the main challenges in strategic plan is that ARDI focuses much on grants and donations, that ARDI founders thought that they will be getting funding from western donors (Europe and America), that lack of funding from donors hindered ARDI projects implementation and lack of flexibility in donors 'funding restrictions as well.

The researcher found that ARDI is in a good shape in terms of diversification of donors in the last five years where the biggest donor occupying 25% contrary to the first five years where it was depending two big donors with 71% of the total budget. It was also realized that ARDI maintains good relationships with its donors where it has 3 donors working with it for more than 10 years and 4 new ones have been working with it for five years.