

# NPOs need to be nimble



By [Nomvula Dlamini](#)

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According to a national research study released in October 2017, [Civil Society in South Africa](#), the number of registered non-profit organisations (NPOs) was 145,152 in October 2015. The Department of Social Development (DSA), which supplied these figures, indicated that numbers of registered NPOs "increase daily". In fact, more recent [DSA statistics](#) put the number of NPOs at 201,644.



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The study (an initiative of the Funding Practice Alliance – Inyathelo, Community Development Resource Association and Social Change Assistance Trust, and funded by the National Lotteries Commission) revealed that the majority of South African NPOs are newly established and 'micro' (annual income less than R50,000) to 'small' (annual income greater than or equal to R50,000 but less than R500,000). It is estimated that the sector provides over a million employment opportunities, both paid and unpaid. However, the vast majority of organisations (96.9% of the sample size) handle fundraising internally – they do not have the resources to employ professional fundraisers.

## Competition for limited funds

Without sufficient income, their much-needed services cannot be delivered. In focus group discussions among NPOs, and in general discourse, we have seen confirmations of decreased international funding and more competition for limited funds. While some NPOs are nimble and innovative in addressing funding challenges, many more organisations are under-resourced and highly dependent on single sources of funding support. This situation is exacerbated

by limitations in resource mobilisation skills.

There are no easy answers. A number of organisations such as the International Monetary Fund, World Bank and SA Reserve Bank have reduced South Africa's growth prospects and tough conditions are unlikely to ease in 2019 for the local NPO sector.

Far-sighted NPO leaders are likely to focus more on personal and organisational capacity-building, if they and their staff are to gain the necessary skills and competence to survive and thrive in a tough environment. NPOs that plan for and invest in strengthening their organisations and staff will have a greater chance of making an impact.

## Holistic, integrated fundraising

We can also expect fundraising to become increasingly professional and to be approached in a more holistic, integrated way. In the United States philanthropy sector there is widespread understanding of advancement – the practice of building, maintaining and improving support, skills and funds for an organisation or institution. It incorporates elements such as governance, leadership, relationship-building and financial management. In South Africa, applying advancement principles has already boosted the fundraising capacity of many higher education institutions (HEIs). Looking forward, more NPOs are likely to adopt this professional approach to grow long-term sustainability.

Another interesting development, which may continue to gain traction, is greater awareness among South Africans of the impact they can make through personal giving.

According to the latest [\*Annual Survey of Philanthropy in Higher Education \(ASPIHE\)\*](#) by Dr Sean Jones, commissioned by Inyathelo and funded by The Kresge Foundation, donations to HEIs from local private donors increased from R72m to more than R500m from 2013 to 2016. Inyathelo, the non-profit trust that (among other initiatives) works to increase individual social giving, has helped raise awareness through initiatives such as 10 years of Philanthropy Awards (2006-2016) and, more recently, its 2017 Philanthropy Forum. Such interventions have highlighted how, even without large resources or great influence, ordinary individuals can make a difference in others' lives.

## Embrace innovation

In conclusion, 2019 is likely to present many challenges for NPOs which are, on the whole, under-resourced. Last year, however, we saw some notable occasions in which some civil society organisations have contributed, through their work, towards deepening our democracy. NPO leaders are challenged to be open to new ideas, which could involve everything from exploring new funding models to harnessing social media. As long as NPOs challenge themselves to be innovative, not only in terms of funding models, but also in terms of practices and approaches, they will continue to survive and to provide essential services and support.

## ABOUT NOMVULA DLAMINI

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