



Analysing operating environment: Financial sustainability of Tanzanian civil society

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Civil society in Tanzania

- In total about 10 000 civil society organizations, occupies about 2% of economically active population in Tanzania.
- Majority non-registered grass-root level actors working in rural areas, providing services in communities.
- Relatively small group of well-established organizations with good operating capacity, centered in urban areas, receive majority of donor funding.
- Civil society diverse and polarized, big gap between the well-established "elite organizations" and grass-root level actors keeps the civil society weak in average.
- Advocacy increasing, about 9% of CSOs' work.
- CSOs in general very dependent on external funding, in average about 40%, advocacy & change-seeking organizations about 80%.

Different sources for funding

- International donors acting in Tanzania (bilateral development partners like Finland, UN organizations, foundations, INGOs, EU)
- Public funding: Local Government Authorities (e.g. cooperation with CSOs in implementing District Development Plans, soft loans to groups of youth & women), Ministry of Community Development, Gender and Children (MCDGC) capacity development support for CSOs, Rapid Funding Envelope
- Funding from Legal Services Facility (LSF), Commonwealth Foundation, Trademark East Africa, Tanzania Media Fund (TMF), Foundation for Civil Society
- Public Private Partnerships
- Charity funds and donations from individual companies and actors, philanthropy is about 20% of CSOs income (big differences between e.g. faith-based organizations and advocacy organizations)

Less ODA, more?

- Development funding for civil society is shrinking. Situation is especially hard for change-seeking organizations doing advocacy.
- Finland just decided to cut ODA significantly. Support to civil society organizations was cut with 43%.
- According to Charities Aid Foundation (CAF) 2/3 of Sub-Saharan African countries will receive less aid in the future.
- BRICS countries as new donors are bringing in “new money” for development field. However, the space of civil society in these countries is more or less limited, and it is hard to see countries like China or Russia to fund e.g. advocacy for human rights.
- In Tanzania public funding for civil society is very scarce and access to existing instruments limited. It is hard to find information on available government funding and it's only available for certain sectors. Lack of trust between CSOs and government is one reason that hinders development of public funding and this has been acknowledged by the Tanzanian CSOs.

Less ODA, more?

- International donors have been natural allies for CSOs who challenge existing policies and power structures e.g. do advocacy on democratic governance or promote rights of minorities. On these fields there's a higher need for external support.
- Will private sector solve the problem? Many of Tanzanian CSOs do not see big opportunities in cooperating with private sector. Hard to find win-win situation, to “sell” CSO activities to companies, or to receive funding for activities that CSOs want to do. Despite of mentioned challenges, CSOs see some potential for receiving funding for service delivery and PPP arrangements work on sectors like health and education. However it is not seen that private sector would support the watchdog role of civil society, e.g. advocacy, accountability, human rights.
- More productive fundraising and strengthening CSO's capacity for fundraising, putting more emphasis on domestic sources.
- More cooperation within the civil society, solidarity, utilizing existing resources together, building stronger links between different levels of actors.

Opportunities and obstacles for fundraising



- Tanzanian CSOs do not have strong tradition for fundraising. Many feel that they lack ideas and means for fundraising except for proposal writing for donors. There's a need for exposure, change of ideas and peer-support.
- Partners and donors could support capacity building for fundraising much more. Increased self-financing is crucial for sustainability and development of Tanzanian civil society.
- Lack of trust and understanding of CSOs' work hinders development of fundraising culture where individual people would donate money for CSO activities.
- On the other hand there's a lot of potential to collect donations from individual people as the middle-class is steadily growing.

Opportunities and obstacles for fundraising



- Running small business activities is the main fundraising method. CSOs have many ideas: selling services and own branded products like t-shirts, hiring venues, establishing shops or restaurants etc.
- Lack of funds for making necessary investments. Some of the CSOs see opportunities to get bank loans for investments, some are more skeptical if loans would be granted for CSOs. Also worries over having necessary skills to invest in productive sectors and being able to pay interests.
- Donor support for investments is warmly welcomed as well as technical support for running business ventures for fundraising.
- Cooperation between local level CSOs and well-established CSOs with sufficient funding also one way to strengthen civil society and make most of scarce funds.