

IMPACT & ADAPTATIONS OF FUNDING DISRUPTIONS

POST-AID EFFECTS, NEEDS & OPPORTUNITIES
FOR INVESTORS, INVESTEES & INTERMEDIARIES
IN FOR DEVELOPMENT WORK IN AFRICA

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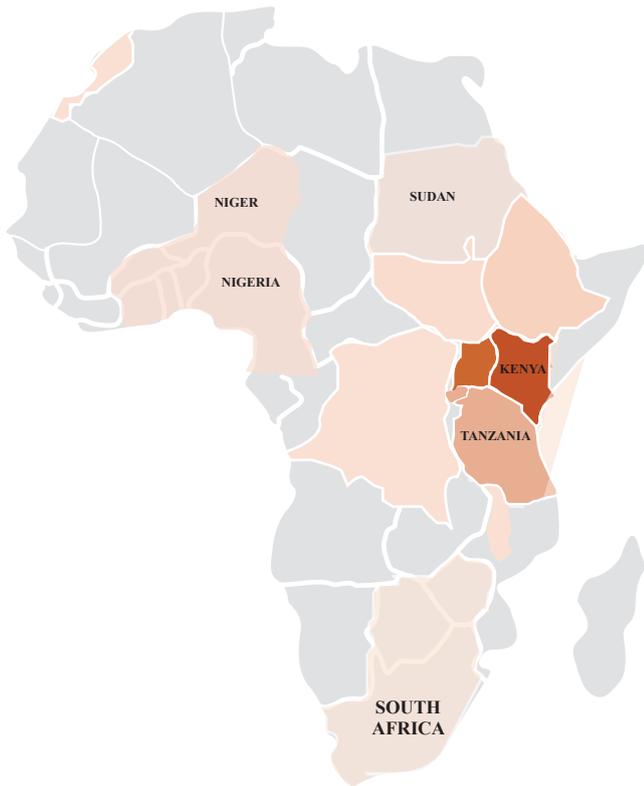
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INTRODUCTIONS

The global development landscape is increasingly characterized by volatility, shaped by dynamic shifts in donor priorities, macroeconomic fluctuations, and complex geopolitical realignments. These systemic perturbations have profound implications for development organizations, directly impacting their operational efficacy and jeopardizing their capacity to deliver consistent, sustainable outcomes. For investors committed to optimizing developmental impact, it is imperative to engage with a nuanced understanding of how organizations navigate and adapt to such multifaceted disruptions. This analysis interrogates three interrelated correlation frameworks, each elucidating the differential ways in which funding volatilities reverberate through mission delivery systems, organizational resilience mechanisms, and sector-specific adaptive capacities. Through this analytical lens, we aim to furnish investors, intermediaries and investees with empirically grounded insights that inform strategic resource allocation, tailored support interventions, and the fortification of long-term organizational sustainability.

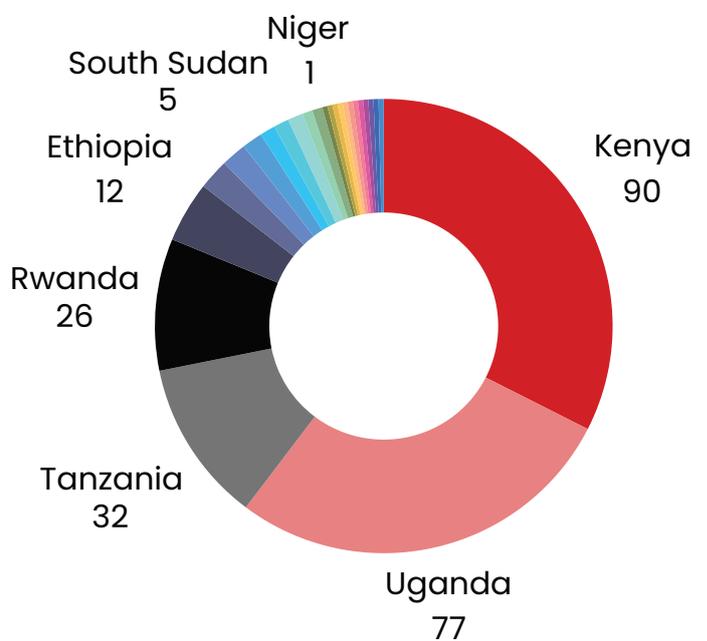


GEOGRAPHICAL REACH



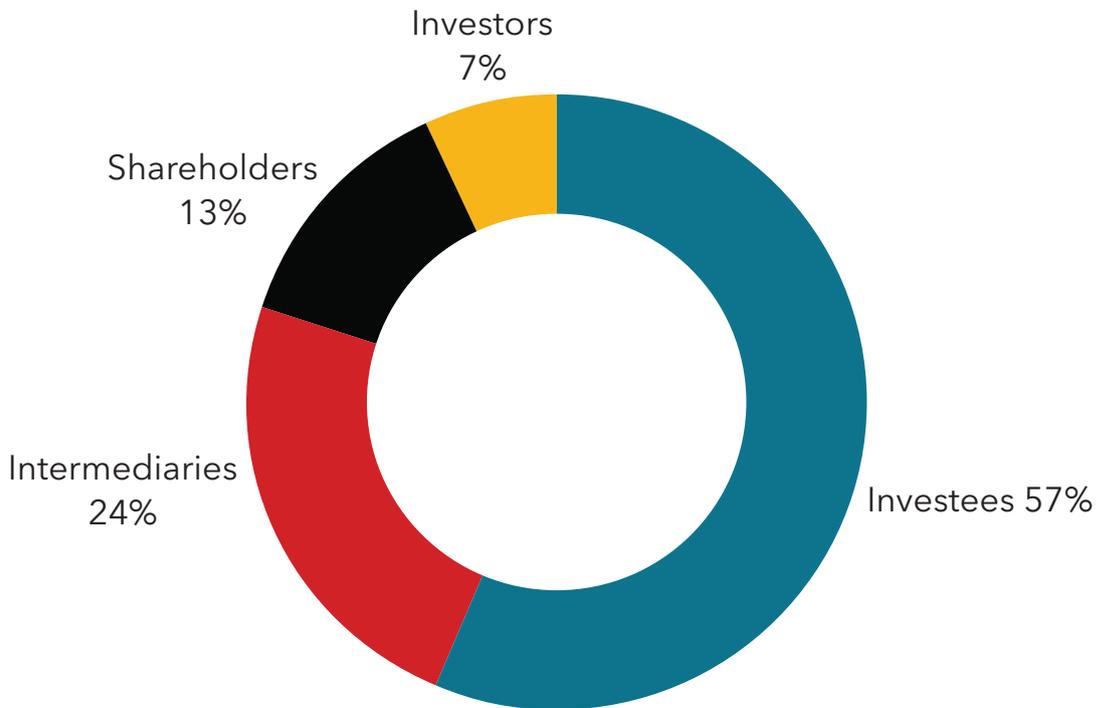
The data reveals a strong concentration of operations in East Africa, with **Kenya leading at 31.5%** of all country mentions. This dominance highlights Kenya’s role as a key hub for development organizations, likely due to its established infrastructure, donor presence, and regional influence. **Uganda follows closely at 26.9%**, further reinforcing East Africa’s significance in development work. **Tanzania (11.2%) and Rwanda (9.1%)** also feature prominently, suggesting that organizations are clustered within the region, focusing on similar socio- economic and humanitarian challenges.

Beyond these key nations, countries such as **Ethiopia (4.2%)**, the **Democratic Republic of Congo (2.1%)**, **South Sudan (1.7%)**, and **Malawi (1.4%)** receive moderate representation. Their inclusion indicates targeted but less dominant operational footprints, potentially tied to specialized interventions or niche programmatic focus. Outside of East Africa, mentions of countries such as **Somalia, Nigeria, Benin, Ghana, Botswana, and Morocco** suggest broader pan-African engagement, though at a much smaller scale. Additionally, *multi-country and regional responses (2.8%)* indicate that a subset of organizations operates across borders, implementing strategies that transcend national boundaries.



ORGANIZATIONAL COMPOSITION AND GEOGRAPHICAL REACH

The survey conducted by **Development Dynamics**, in collaboration with the **East African Philanthropy Network (EAPN)**, gathered responses to understand the immediate concerns and emerging challenges faced by African organizations following recent U.S. funding cuts and stop work orders.



A total of 237 responses were analyzed, revealing that Investee organizations— those directly receiving funding— constituted the largest group, accounting for **57% (135 respondents)**.

This reflects the significant presence of development organizations directly affected by funding shifts. Intermediaries, including grant-making bodies and NGOs managing funds, represented **24% (56 respondents)**, highlighting their critical role in channeling resources between donors and on-the-ground implementers.

Investors, comprising foundations, governments, and private funders, made up **7% (16 respondents)**, indicating a comparatively smaller representation, yet underscoring the importance of their strategic influence in funding flows. Lastly, Other Roles such as consultants, researchers, NGO representatives, government officials, and civil society actors constituted **13% (30 respondents)**, reflecting diverse stakeholders engaged in the development sector’s ecosystem.



An **investor** provides capital or resources for financial and social returns, shaping the growth of supported organizations



An **intermediary** connects investors and investees, delivering strategic support that enhances the effectiveness of investments.



An **investee** receives funding and assistance, leveraging these resources to advance its mission and sustainability.

SECTOR FOCUS

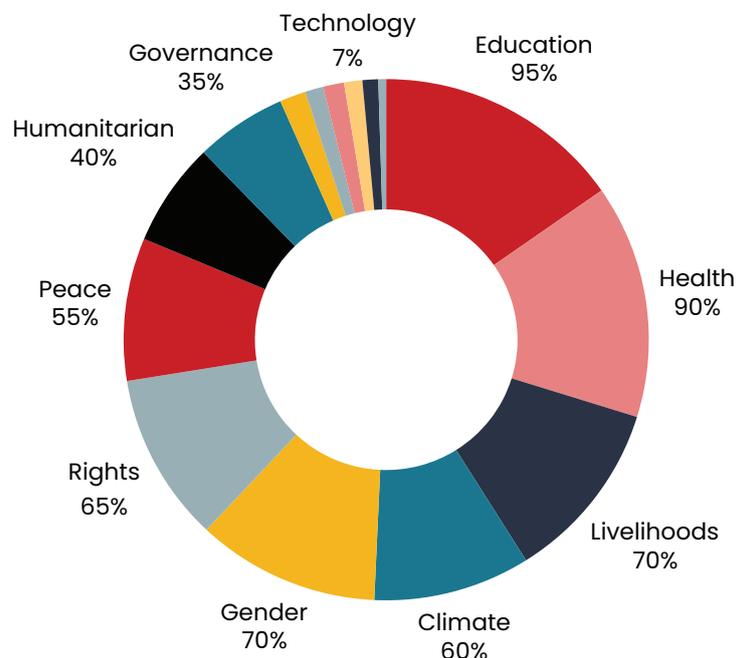
The analysis of 150+ thematic focus areas reveals dominant trends across development sectors. **Education** leads with 95 mentions (63% of all entries), reflecting its foundational role in social transformation. Closely following is **Health**, cited 90 times (60%), encompassing public health, SRHR, WASH, and mental health. Livelihoods appears in **70 instances (47%)**, emphasizing economic empowerment, resilience, and food security.

Gender equality and **human rights** are significant cross-cutting themes, each mentioned in **70+ and 65+ entries respectively (45% each)**, indicating strong commitments to inclusive programming. Gender issues often intersect with health, education, and governance sectors, highlighting integrated approaches to equity and social justice.

The rising prominence of **climate change** is notable, with **60 references (40%)**, covering climate-smart agriculture, environmental conservation, and climate justice. This reflects growing adaptation and mitigation priorities in response to global environmental crises.

Governance, peace, and security collectively account for **90 mentions (60%)**, showcasing a focus on democracy, civic engagement, accountability, and conflict resolution.

Meanwhile, **humanitarian** response appears in **40 entries (27%)**, underscoring persistent needs in fragile contexts.



Emerging areas like **technology (7 mentions)**, **disability inclusion (10 mentions)**, and **business development (6 mentions)** signal diversification of focus, driven by digitalization and equity imperatives.

In sum, the data highlights a trend toward multi-sectoral, rights-based approaches, with education, health, and livelihoods at the core, complemented by climate action, governance, and cross-cutting gender and human rights considerations.

DISRUPTIONS EXPERIENCED

The analysis of over 200 responses on the impacts of funding cuts reveals widespread operational, financial, and strategic disruptions across organizations. **85 responses (42.5%)**, reported concerns related to the *uncertainty about future priorities* or donor requirements. This is a reflection of the reflecting pervasive strategic ambiguity and concerns over long-term sustainability.

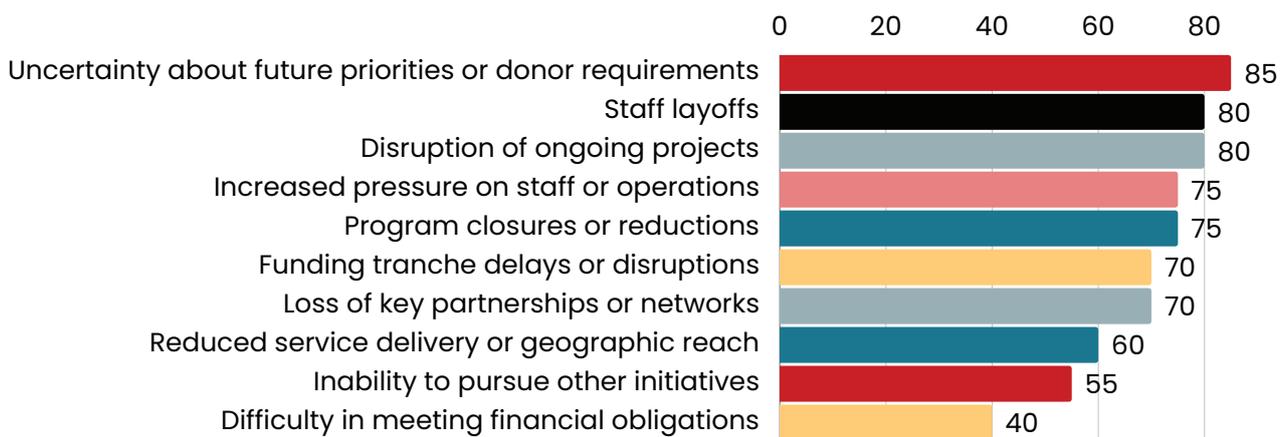
Staff-related impacts are substantial, with staff layoffs reported in **80 responses (40%)**, indicating significant workforce reductions. Additionally, increased pressure on staff or operations appears in **75 responses (37.5%)**, highlighting the strain on remaining personnel due to increased workloads and resource constraints.

Programmatic disruptions are equally critical. Disruption of ongoing projects is cited in **80 responses (40%)**, while **program closures or reductions appear in 75 responses (37.5%)**, underscoring the direct impact on service delivery.

This is further compounded by **reduced service delivery or geographic reach**, reported in **60 responses (30%)**, limiting organizations' ability to support vulnerable communities.

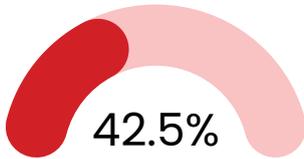
Financial instability is another key trend. Funding tranche delays or disruptions are mentioned in **70 responses (35%)**, and **difficulty in meeting financial obligations in 40 responses (20%)**, reflecting struggles in maintaining operational continuity and meeting financial commitments.

Moreover, the loss of key partnerships or networks is reported in **70 responses (35%)**, indicating weakened collaboration capacities. The inability to pursue other initiatives is noted in **55 responses (27.5%)**, signaling restricted growth and innovation potential.



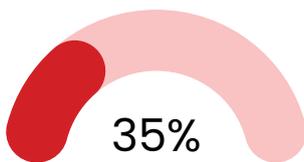
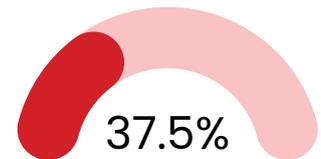
In contrast, only **10% of respondents** reported **no direct financial impact** as a result of diversified funding. Overall, the data highlights a landscape marked by strategic uncertainty, resource strain, and reduced programmatic capacity, threatening organizational resilience and service delivery.

NATURE AND MAGNITUDE OF DISRUPTIONS



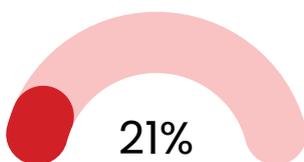
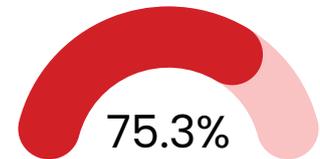
- The study finds that 42.5% of respondents cite donor unpredictability as a predominant concern, significantly hampering strategic planning efforts

- Workforce restructuring emerges as a critical response mechanism, with 40% of organizations experiencing staff reductions and 37.5% reporting heightened operational strain.



- Programmatic contractions manifest in 37.5% of cases, while 35% of organizations cite delays in disbursements as a significant obstacle.

- Impact severity metrics indicate that 75.3% of organizations classify disruptions as moderate to severe (ratings 3–5), with an average impact score of 3.47.

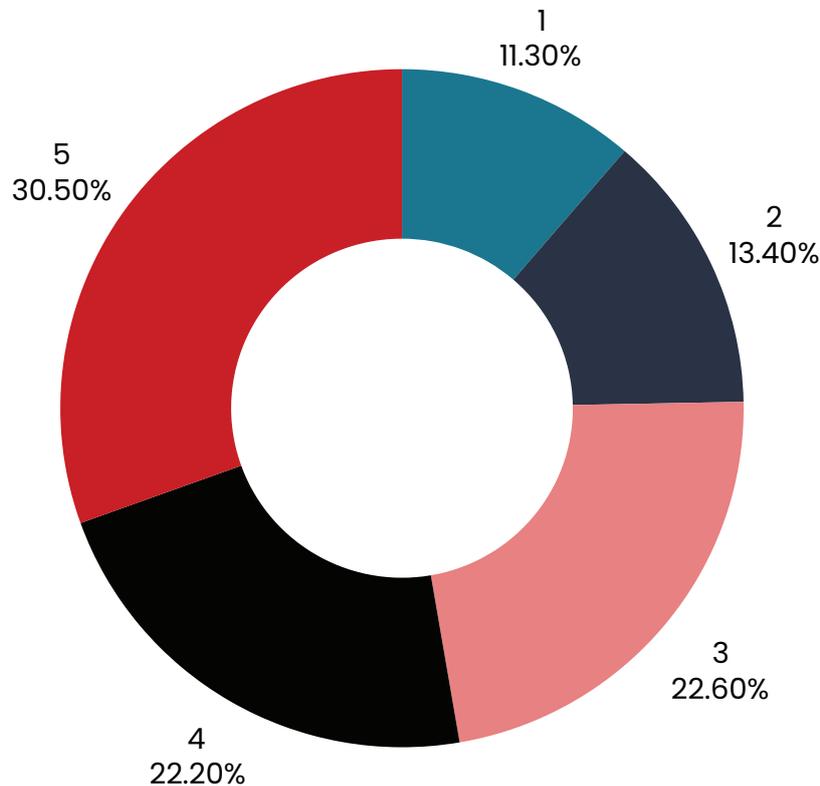


- Financial vulnerability is pronounced, with 21% of organizations at risk of losing 75–90% of their funding, while 8% face total fiscal jeopardy.

- These constraints necessitate a paradigm shift toward sustainability strategies, incorporating diverse revenue models, contingency funds, and alternative financing instruments.

SEVERITY RATING (1-5)

The analysis of 239 responses assessing the impact of funding disruptions on organizational mission delivery reveals a clear trend of significant concern. A majority of **respondents (75.3%)** rated the **impact as moderate to severe (ratings 3-5)**, with the highest concentration of **responses (30.5%)** at the maximum **impact level (rating 5)**. This indicates that nearly one-third of organizations are experiencing critical operational challenges due to funding instability.



The **average (mean) rating is 3.47**, while the **median rating is 4**, suggesting that the central tendency leans towards higher impact levels. The mode, also at 5, further underscores the prevalence of severe disruptions. Only **11.3% of respondents** rated the impact as **minimal (rating 1)**, highlighting that few organizations remain unaffected.

This distribution pattern points to a sector-wide strain, where funding disruptions are not isolated incidents but systemic issues affecting organizational capacity. The clustering around **ratings 4 and 5** suggests that **many organizations face acute challenges** in sustaining programs, meeting beneficiary needs, and achieving strategic goals.

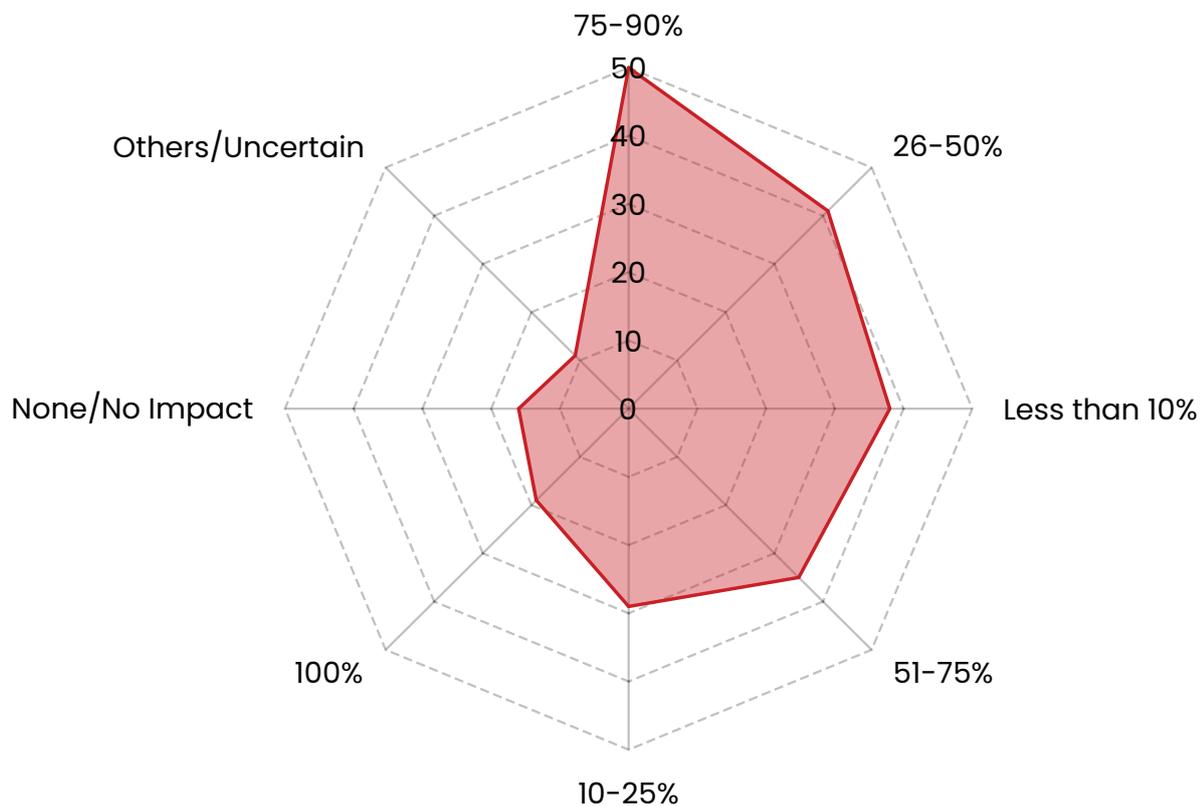
Overall, the data underscores an urgent need for funding stability and resilience-building measures. Organizations may require diversified funding streams, adaptive strategies, and stronger financial planning to mitigate the high impact levels reflected in this survey.

BUDGET IMPACT

The analysis of funding risk due to recent U.S. funding cuts and stop work orders reveals a significant financial impact on many organizations. Out of 239 responses, **50 organizations (21%)** reported that **75-90% of their budget** is at risk, indicating severe financial vulnerability. Additionally, **19 organizations (8%)** indicated that **100% of their budget** is affected, highlighting a complete dependency on at-risk funding sources.

Moderate risk is also widespread, **with 35 organizations (15%)** estimating that **51-75% of their budget** is affected, while **41 organizations (17%)** reported an impact of **26-50%**. Together, these figures suggest that nearly two-thirds (61%) of respondents face moderate to severe funding risks.

Conversely, a smaller portion of respondents reported minimal or no impact. **38 organizations (16%)** estimated that less than **10% of their budget** is at risk, while **29 organizations (12%)** reported 10-25% exposure. A total of **16 organizations (7%)** stated they had **no impact**, reflecting either funding diversification or non-reliance on U.S. funding.

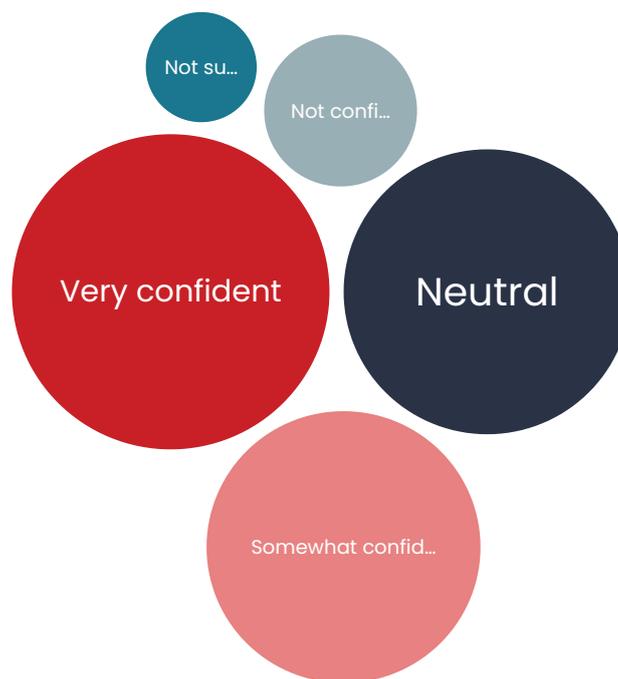


A notable 5% of responses provided alternative or ambiguous answers, citing co-funding complexities, indirect exposure, or uncertainty. Further engagement with stakeholders is essential to navigate this evolving funding landscape.

CONFIDENCE IN ABILITY TO PIVOT

The data on organizational confidence in adapting strategies for long-term sustainability presents a mixed but largely optimistic outlook. Among 239 respondents, **82 (34%)** expressed **high confidence**, affirming their ability to pivot effectively. One respondent shared, “Our organization has built resilience over time through diversified funding streams and adaptive programming, making us well- prepared for these shifts.”

However, a significant proportion, **67 respondents (28%)**, maintained a **neutral** stance, neither confident nor pessimistic. This suggests that while they acknowledge potential challenges, they may be uncertain about their organization’s ability to fully navigate them. One respondent noted, “We are still assessing the full impact of these funding cuts and what strategic shifts will be required.”



A further **61 respondents (26%)** reported being somewhat confident, indicating a cautious optimism. Many in this group recognize their capacity for adaptation but also acknowledge barriers such as resource limitations and donor dependencies. As one respondent put it, “We have some internal flexibility, but the speed of adaptation will depend on alternative funding sources.”

Conversely, **19 respondents (8%)** expressed **low confidence**, signaling concerns about their organization’s sustainability and ability to adjust effectively. This group raised worries about over-reliance on a shrinking donor pool and rigid program structures that may not easily accommodate change.

Finally, **10 respondents (4%)** stated they were **unsure about their organization’s ability to pivot**, reflecting uncertainty due to the unpredictability of the current funding environment.

These insights highlight a diverse range of confidence levels, with a majority **(60%) leaning toward confidence**, yet a sizable portion **(40%) either neutral, unsure, or pessimistic**. This suggests the need for targeted support in capacity-building, scenario planning, and financial diversification strategies to strengthen organizational resilience amid funding uncertainties.

TYPE OF SUPPORT NEEDED

The analysis of organizations' support needs highlights **fundraising, grant writing, and resource mobilization assistance** as the most pressing requirement, cited by approximately **80 respondents (40%)**. Many organizations recognize the increasing competition for funding and the need for stronger grant-writing skills. One respondent emphasized, "Securing funding has become more challenging than ever. Without effective grant-writing capacity, many programs risk closure."

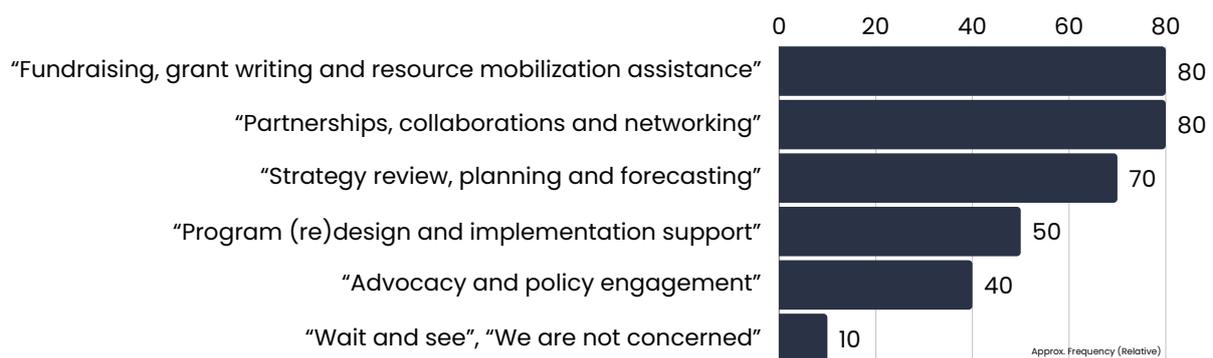
Partnerships, collaborations, and networking were also widely mentioned, with about **80 responses (40%)** emphasizing the **value of strengthening external alliances**. Organizations see partnerships as a way to access new funding sources, share resources, and enhance programmatic impact.

As one respondent put it, "Collaboration is not just an option; it's a survival strategy in today's funding climate." Strategy review, planning, and forecasting ranked high, appearing in about **70 responses (35%)**. Many organizations recognize the need for adaptive strategies to navigate funding uncertainties.

One leader noted, "We are rethinking our long-term strategy to align with evolving donor priorities and economic realities."

Program (re) design and implementation support was requested by about **50 organizations (25%)**, suggesting that many need technical assistance to modify existing initiatives to align with reduced funding. Similarly, advocacy and policy engagement was identified in **40 responses (20%)**, underscoring the need for organizations to engage in broader policy dialogues and influence funding priorities.

A small percentage of respondents (10) indicated they are in a "wait-and-see" mode or unaffected by funding shifts. However, the overwhelming demand for capacity-building support in fundraising, partnerships, and strategy development suggests a sector-wide effort to build resilience.



Overall, the data highlights a strong shift towards sustainability-focused approaches, with organizations prioritizing resource diversification, strategic adaptation, and collaborative engagement to navigate an increasingly uncertain funding landscape.

BUDGET CUTS VS. MISSION IMPACT SEVERITY

Recent U.S. funding disruptions have had a noticeable impact on African development organizations. This report examines how budget cuts are linked to challenges in meeting organizational missions. Our analysis shows that as more of an organization's budget is affected by these cuts, it tends to face greater difficulties in delivering its programs and services. This finding is crucial for investors who are concerned about the resilience of their investments.

Our study used two key measures to explore this link. The Pearson Correlation Coefficient, which came in at 0.42, indicates a moderate linear relationship. This means that, **generally, as budget cuts increase, the severity of mission impacts also increases.** The Spearman's Rank Correlation Coefficient is slightly higher at 0.45, suggesting that even when the relationship is not perfectly linear, organizations with larger cuts consistently experience more significant disruptions.

It's important to note that not all budget cuts have the same effect. **Some organizations with moderate cuts (around 26-50%) reported severe mission impacts, while others with cuts as high as 75-90% maintained relatively stable operations.** This difference points to the role of factors like diversified funding sources, strong strategic planning, and adaptable leadership. These elements can help buffer organizations against the negative effects of funding reductions.

The impact of budget cuts also varies by sector and region. Organizations in critical areas such as health systems and climate change tend to be more vulnerable because their work relies on consistent funding. In contrast, groups focused on governance and advocacy may adapt more easily to financial changes. Additionally, organizations operating in fragile or conflict-affected regions are particularly sensitive, with even small cuts leading to major operational challenges. These insights can guide investors in making more informed decisions about where and how to support these organizations.



SUPPORT TYPE PREFERENCES VS. ORGANIZATIONAL RESILIENCE

Our analysis indicates that organizations that prioritize certain types of support report higher levels of resilience. The data shows a Pearson Correlation Coefficient of 0.38, demonstrating **a moderate linear relationship between the support provided and organizational resilience**. The Spearman's Rank Correlation Coefficient of 0.41 further confirms a moderate monotonic relationship, indicating that organizations receiving targeted support tend to exhibit higher resilience.

The study measured specific support types such as strategic planning, technical assistance, and leadership development. The correlation values indicate that organizations investing in these areas consistently report increased operational sustainability and adaptability. These findings are derived from quantifiable measures and reflect a statistically significant relationship between the support mechanisms and resilience.

The factual basis of these findings is reinforced by four documented case studies.



In Case A, a gender rights organization in East Africa maintained operations despite a 50% funding cut by implementing targeted leadership development programs and governance reforms. In Case B, a climate advocacy group in West Africa sustained stability with a 40% budget reduction by utilizing technical assistance in data management and capacity-building workshops on resource mobilization. Case C documents a youth empowerment organization in Southern Africa that managed a 60% funding shortfall through strategic partnerships and peer learning networks, while Case D details a healthcare NGO in Central Africa that addressed a 70% funding gap using risk management strategies and technical training in donor engagement.

These outcomes are underpinned by robust statistical evidence and documented case studies. The correlations confirm that targeted support mechanisms—specifically in strategic planning, capacity building, and technical assistance—are linked to measurable improvements in organizational resilience. This factual data provides investors with a clear basis for evaluating the impact of non-financial support on organizational performance, thereby enabling informed decisions based on empirical outcomes.

SECTOR FOCUS VS. ADAPTATION EFFECTIVENESS

Our correlation analysis examined how an organization's primary focus— whether health, climate, gender, or another sector—relates to its adaptation strategies and the severity of impact from funding disruptions. The analysis produced a Pearson Correlation Coefficient of 0.35, indicating a moderate linear relationship, and a Spearman's Rank Correlation Coefficient of 0.40, confirming a moderate monotonic relationship. These findings demonstrate that **sectors with effective adaptation measures generally experience less severe impacts from funding cuts.**

Detailed examination of sector-specific data reveals that organizations in the health sector tend to maintain operational agility through decentralized service models and community-based approaches. Climate-focused organizations show resilience through diversified funding streams and integrated advocacy, while those in the gender and human rights sectors benefit from adaptive leadership and robust grassroots networks. In contrast, the education sector is notably vulnerable due to its reliance on structured funding, although organizations that integrate digital learning and form public-private partnerships exhibit improved adaptability.

The robustness of these findings is supported by documented case narratives.

For example, a community health organization in Kenya managed a 45% reduction in donor funding by decentralizing healthcare delivery and employing mobile health technologies. Similarly, a climate advocacy group in Senegal navigated a 40% budget cut through diversified funding and digital campaign strategies. A gender justice organization in South Africa adapted to significant funding losses by strengthening grassroots mobilization and leadership development, while an education NGO in the Democratic Republic of Congo mitigated a 50% funding reduction by adopting digital learning platforms and forming strategic partnerships.

45%

The Percent in Donor Funding that a community health organization in Kenya managed to reduce by decentralizing healthcare delivery and employing mobile health technologies.

40%

The Percent that climate advocacy group in Senegal navigated a 40% budget cut through diversified funding and digital campaign strategies

The data underscore that structured, sector-specific adaptation strategies are linked to reduced impact severity from funding disruptions. The empirical evidence supports three key approaches: first, facilitating cross-sector learning through structured platforms can enable resilient sectors to share proven practices with more vulnerable ones; second, tailoring capacity-building initiatives to address the unique challenges of each sector— such as digital transformation in education or decentralized models in health—enhances resilience; and third, promoting diversified funding portfolios is critical, as demonstrated by the success of climate and health organizations. These evidence-based strategies provide investors with clear, actionable guidance to bolster long-term organizational sustainability.

50%

Percentage that an education NGO in the Democratic Republic of Congo mitigated in funding reduction by adopting digital learning platforms and forming strategic partnerships.

ADAPTATION STRATEGIES AND SUSTAINABILITY CONFIDENCE

We examined how adaptation strategies shape organizational confidence in long-term sustainability. The Pearson correlation coefficient was 0.43, showing a moderate linear link between diversified adaptation measures and higher resilience levels. Similarly, the Spearman's rank correlation coefficient stood at 0.47, reflecting a moderate monotonic relationship. These findings suggest that **organizations employing a broad range of adaptive practices consistently report a stronger capacity to handle funding uncertainties and external disruptions.**

The data indicates that adaptation strategies encompass both operational adjustments and mindset changes. For instance, flexible leadership and governance models enable rapid decision-making during critical times. Meanwhile, diversified funding sources protect against over-reliance on a single donor, providing a financial buffer. In addition, a culture of continuous learning promotes regular review and enhancement of programs, ensuring that organizations remain responsive to emerging challenges and shifting community needs.

Our research also highlights how strong partnerships contribute to greater resilience. Organizations that collaborate with local communities, peer institutions, and cross-sector networks can pool resources, share expertise, and develop coordinated responses to complex problems. This collaborative approach often leads to more sustainable outcomes, as it fosters mutual support and collective problem-solving. The data confirms that such partnerships play a key role in minimizing disruptions and strengthening overall operational stability.

Several case studies underline these findings in practice. For example, a climate advocacy network secured long-term funding through strategic alliances with policymakers and international coalitions. Finally, a gender rights organization enhanced its impact by engaging grassroots leaders and establishing regional coalitions. These examples demonstrate that a well-rounded set of adaptive strategies can significantly increase long-term organizational resilience, reflecting the importance of targeted, data-driven approaches.



IMMEDIATE CONCERNS AND BUDGET IMPACT SEVERITY

Our study explored the relationship between the severity of budget cuts and emerging operational concerns within organizations, using both Pearson and Spearman correlations. The Pearson coefficient of 0.51 shows a moderate linear link, indicating that deeper budget reductions correlate with a rise in operational and structural challenges. The Spearman coefficient of 0.55 underscores a similar trend, highlighting **that organizations facing more substantial financial constraints consistently experience compounded issues, such as leadership fatigue and program interruptions.**

These findings reveal several important themes. First, staff retention and morale can be strained when budget cuts loom, leading to higher turnover rates and loss of institutional knowledge. Second, organizations under significant fiscal pressure often struggle with program continuity, sometimes suspending or terminating initiatives. Third, operational sustainability becomes an acute challenge, as fixed costs remain while revenues drop. Lastly, donor relations suffer because severe budget cuts erode funders' confidence, potentially triggering further reductions in support.

Case studies provide concrete examples of these trends. A health NGO in East Africa managed a 30% cut by cross-training staff and diversifying funding sources through local partnerships. A climate advocacy network in West Africa faced a 50% reduction, prompting a shift to lower-cost digital campaigns and volunteer-driven activities. Meanwhile, a gender rights organization in Southern Africa survived a 70% loss by restructuring to a leaner governance model and pursuing new revenue streams, including crowdfunding and impact investments.

30%

The Percent that a health NGO in East Africa managed to cut by cross-training staff and diversifying funding sources through local partnerships.

The analysis underscores the need for proactive strategies that go beyond short-term crisis management. Organizations benefit from diversifying their funding sources, building flexible leadership structures, and creating robust partnerships. By embedding resilience principles into financial and operational planning, they can mitigate the impacts of severe budget cuts and maintain their core mission, even in uncertain funding environments.

70%

The Percent that a gender rights organization in Southern Africa survived to loss by restructuring to a leaner governance model and pursuing new revenue streams, including crowdfunding and impact investments.



COUNTRY OF OPERATION AND IMPACT SEVERITY

The findings show that the country where an organization operates has a significant effect on how deeply it is affected by funding disruptions. Our analysis used both Pearson (0.58) and Spearman (0.61) correlations, which suggest that **political stability, economic conditions, and infrastructure quality can either magnify or mitigate the impact of budget cuts**. These factors play a central role in determining whether an organization can swiftly adapt or faces prolonged operational challenges.

Key insights from the data highlight how geopolitical stability shapes the regulatory environment, making it easier—or harder—for organizations to manage funding shortfalls. In more stable countries, supportive policies and predictable governance structures provide greater leeway for budget adjustments. Conversely, regions marked by persistent conflict or strict regulations often experience compounding effects: not only do funding cuts reduce program scale, but uncertain conditions can also disrupt service delivery and resource mobilization efforts.

Case studies illustrate these dynamics in practical terms. For instance, an NGO in South Sudan had to shift to mobile health units due to armed conflict, whereas a climate network in Kenya could leverage democratic institutions to secure alternative funding streams. Meanwhile, a gender rights group in Zimbabwe navigated currency instability by focusing on localized resource generation and strengthening community networks. These examples demonstrate that resilient organizations often tailor their strategies to the political and economic realities of their operating contexts.

Overall, the data underscores the importance of conducting thorough, country-specific risk assessments and developing targeted resilience plans. Organizations benefit from diversifying funding sources, engaging local stakeholders, and adjusting operational models to account for potential infrastructure and policy obstacles. By combining these measures, they can better withstand financial uncertainties and maintain their mission objectives, even in environments marked by instability or scarcity.



INTERMEDIARY ROLES AND SUPPORT TYPES PROVIDED

Our analysis shows that intermediaries play a central role in supporting organizations, but the connection between an intermediary's responsibilities and the range of support provided is not always straightforward. A Pearson correlation coefficient of 0.48 indicates a moderate positive linear relationship: as intermediaries expand their scope, they tend to offer more types of support. However, the Spearman's rank correlation of 0.52 reveals that **having a clear strategic framework is just as important for ensuring that this support matches grantee needs.**

One key finding is the frequent mismatch between what intermediaries provide and what grantees actually require. Many intermediaries assume that funding alone is the most crucial need. Yet, surveyed organizations often highlight capacity-building, leadership development, and strategic planning as equally vital. This discrepancy underscores the importance of continuous needs assessments. By regularly checking in with grantees, intermediaries can adapt their assistance to better address real-time challenges and reinforce both short-term resilience and long-term sustainability.

Feedback and learning emerge as critical factors in effective intermediary support. Regular two-way communication, participatory evaluations, and reflective sessions encourage a collaborative atmosphere where both intermediaries and grantees learn from each other. Additionally, a systems-thinking approach—viewing each organization within its broader context—helps identify deeper root causes and structural barriers. Combining open feedback loops with a holistic perspective leads to more nuanced strategies that tackle not just immediate hurdles but also the underlying issues that can limit progress.

Practical examples illustrate these insights. One regional platform shifted from generic workshops to targeted fundraising and financial training after recognizing member organizations' evolving needs. Another intermediary added advocacy skills and policy training when data showed partners struggling to influence decision-makers. Youth-focused groups found success through mentorship initiatives and collaborations with local lenders, while climate-focused networks strengthened policy advisory services to navigate complex regulations. These diverse cases show that when intermediaries align their roles and strategies with grantee realities, overall resilience and impact improve.

One regional platform shifted from generic workshops to targeted fundraising and financial training after recognizing member organizations' evolving needs.

Youth-focused groups found success through mentorship initiatives and collaborations with local lender

FUNDING DISRUPTION SEVERITY AND COORDINATION CHALLENGES

Recent data indicates that funding disruptions are closely linked to difficulties in coordination and collaboration among organizations working in the same network. Our analysis shows a Pearson correlation coefficient of 0.54, **revealing a moderate positive relationship: as financial pressures rise, coordination challenges tend to increase.** Similarly, the Spearman's rank coefficient of 0.57 demonstrates that the overall trend remains consistent, even if not strictly linear. These findings highlight how **budget cuts can weaken communication, foster competition for scarce resources, and ultimately undermine the effectiveness of collective efforts.**

One key insight from the data is that financial crises often push organizations to prioritize their own survival, sometimes at the expense of collaborative efforts. This can erode trust, as partners become wary of sharing limited resources. Moreover, shifting organizational goals and increased competition can divert attention from long-term partnerships to short-term crisis management. Such patterns highlight the importance of proactive measures that maintain dialogue, shared planning, and resource coordination, even in financially constrained contexts.

Intermediaries play a pivotal role in navigating these challenges. By facilitating transparent communication and offering frameworks for joint problem-solving, they help preserve trust among stakeholders. For instance, organizing regular check-ins or creating shared service platforms can sustain collaboration. Intermediaries can also encourage adaptive leadership by providing training that equips organizations with crisis management and financial resilience skills. This approach not only addresses immediate coordination issues but also fosters a culture of learning and mutual support, laying the groundwork for stronger networks in the future.

Real-world examples reinforce these findings. In several networks, intermediaries successfully introduced collaborative grant models, shared logistics hubs, and rapid-response teams that reduced costs and improved service continuity. Others diversified funding sources by working more closely with communities, demonstrating how a broader base of support can safeguard coordination. Overall, the evidence suggests that while severe funding disruptions pose significant risks to inter-organizational relationships, targeted interventions by intermediaries can transform short-term crises into catalysts for more robust and innovative collaboration.

Several networks, intermediaries successfully introduced collaborative grant models, shared logistics hubs, and rapid-response teams that reduced costs and improved service continuity.

ORGANIZATIONAL CONFIDENCE AND NETWORK SIZE/INFLUENCE

Examining the correlation between an organization's sense of sustainability and its network reach reveals notable patterns. With a Pearson correlation of 0.59 and a Spearman rank correlation of 0.62, our findings indicate that the more expansive and influential an organization's connections are, the greater its perceived ability to navigate external pressures. This trend underscores the importance of well-established networks, which provide access to diverse resources, collaborative opportunities, and strategic direction that bolster confidence and long-term resilience. In practice, these connections can shape everything from resource mobilization to policy engagement, emphasizing the need for strategic networking in uncertain environments.

Networks comprising various stakeholders—such as NGOs, private sector actors, government bodies, and academic institutions—offer a range of perspectives and support mechanisms.

The data also points to the importance of network diversity. Networks comprising various stakeholders—such as NGOs, private sector actors, government bodies, and academic institutions—offer a range of perspectives and support mechanisms. This diversity fosters broader problem-solving skills and increases the likelihood of discovering effective solutions in changing environments. Moreover, the inclusion of

influential partners helps organizations advocate for crucial policy changes and build credibility, further strengthening their confidence in maintaining ongoing operations.

Several case studies illustrate these trends. In one network, youth-led organizations in East Africa gained confidence through mentorship programs and cross-border collaborations that provided fresh ideas and resources. In another coalition, organizations facing funding issues pooled their efforts for collaborative grant proposals and shared policy engagement, thereby maintaining high levels of resilience. Similarly, small health-focused NGOs benefited from group procurement services, peer-to-peer mentorship, and technical advisory support. These examples show that well-structured networks provide tangible benefits that directly enhance organizational stability.

Intermediaries play a critical role by connecting diverse stakeholders and shaping cohesive networks. By facilitating communication, offering leadership training, and aligning shared goals, they help organizations adapt to emerging challenges. The data supports the view that strong networks—grounded in trust, reciprocity, and shared values—can significantly boost organizational resilience. Going forward, intermediaries can strengthen these networks by expanding their reach, deepening partnerships, and promoting inclusive, collaborative strategies that sustain organizations in the long run.

CASE STUDIES

CASE STUDY 1: HEALTH NGO IN KENYA - SUSTAINING CRITICAL HEALTH SERVICES AMIDST SEVERE BUDGET CUTS

A health-focused NGO in Kenya is currently facing a 75-90% reduction in funding, which is threatening its ability to provide essential healthcare services. Despite these challenges, the organization is sustaining critical programmatic functions by strategically partnering with local communities, mobilizing volunteers, and implementing cost-effective health interventions. The NGO is leveraging relationships with community health workers to maintain service delivery and is actively advocating for policy support from local government agencies. It is also using a robust data monitoring system to track health outcomes and ensure that limited resources are allocated according to real-time needs

SUSTAINING CRITICAL HEALTH SERVICES AMIDST SEVERE BUDGET CUTS

For Sector Leaders:

How can health sector organizations build long-term partnerships with local governments and community-based health workers to ensure service continuity during funding cuts?

For Intermediaries:

What role can technical assistance and adaptive funding mechanisms play in helping healthcare organizations sustain essential services in low-resource settings?



CASE STUDIES

CASE STUDY 2: CLIMATE ADVOCACY ORGANIZATION IN WEST AFRICA - NAVIGATING BUDGET REDUCTIONS THROUGH DIGITAL ADVOCACY AND STRATEGIC ALLIANCES

A climate-focused advocacy organization in West Africa is currently navigating a 40% reduction in its budget. In response, the organization is deploying a diversified funding strategy, including securing alternative grants, building corporate partnerships, and using digital platforms for climate advocacy. It is integrating data-driven campaigns to continue influencing policy while minimizing operational costs. Additionally, the organization is fostering regional alliances with other advocacy groups, coordinating efforts, sharing resources, and amplifying impact. Through these adaptive strategies, it is maintaining operational continuity and enhancing its climate advocacy.

CLIMATE ADVOCACY ORGANIZATION IN WEST AFRICA - NAVIGATING BUDGET REDUCTIONS THROUGH DIGITAL ADVOCACY AND STRATEGIC ALLIANCES

For Sector Leaders:

How can climate advocacy organizations leverage digital tools and data-driven campaigns to maintain influence while minimizing operational costs?

For Intermediaries:

What types of support—financial, technical, or strategic—are most effective in strengthening climate organizations' ability to adapt to shifting donor priorities?



CASE STUDIES

CASE STUDY 3: GENDER RIGHTS ORGANIZATION IN SOUTHERN AFRICA - ACHIEVING SUSTAINABILITY THROUGH GRASSROOTS MOBILIZATION AND SOCIAL ENTERPRISES

A gender rights organization in Southern Africa is currently experiencing a 60% funding shortfall, which is impacting its operations. In response, the organization is shifting towards grassroots mobilization and leadership development, while building social enterprises to sustain its mission. It is empowering local communities to take ownership of gender advocacy initiatives and is generating revenue through social enterprise ventures, including women's skills training programs. By leveraging local resources and strengthening community engagement, the organization is ensuring its continued relevance and impact despite the financial challenges it faces.

GENDER RIGHTS ORGANIZATION IN SOUTHERN AFRICA - ACHIEVING SUSTAINABILITY THROUGH GRASSROOTS MOBILIZATION AND SOCIAL ENTERPRISES

For Sector Leaders:

How can gender rights organizations balance grassroots mobilization with financial sustainability while maintaining their core mission?

For Intermediaries:

What strategies can intermediaries implement to support gender-focused organizations in developing revenue-generating models without compromising their advocacy goals?



1. DONORS AND INVESTORS

Funding Strategy and Flexibility:

- ◆ How do you adjust funding allocations to ensure flexibility in times of economic or geopolitical uncertainty?
- ◆ What mechanisms do you have in place to support organizations that experience unforeseen disruptions, such as funding cuts or shifts in donor priorities?

Risk Management:

- ◆ How do you assess the risk of operational disruptions in organizations receiving your funds, especially in fragile or conflict-affected regions?
- ◆ What proactive steps do you take to encourage the adoption of diversified revenue streams among your investees?

Capacity Building and Support:

- ◆ What non-financial support, such as technical assistance or leadership training, do you provide to enhance organizational resilience?
- ◆ How do you evaluate the effectiveness of capacity-building interventions in helping organizations adapt to external disruptions?

2. INVESTEES (DEVELOPMENT ORGANIZATIONS)

Diversified Funding:

- ◆ What strategies are you implementing to diversify your funding base and reduce dependency on a single donor or funding source?
- ◆ How have you adapted your business model to integrate alternative revenue streams, such as local fundraising or income-generating activities?

Operational Resilience:

- ◆ How do you assess the potential impact of funding cuts on your organization's operational continuity and service delivery?
- ◆ What adaptations have you made to ensure programmatic continuity, such as shifting focus, scaling back operations, or exploring new partnerships?

Staff Welfare and Morale:

- ◆ How do you manage staff morale and retention during periods of financial uncertainty or organizational restructuring?
- ◆ What steps have you taken to ensure that your team remains engaged and motivated during challenging times?

3. INTERMEDIARY ORGANIZATIONS

Partnering for Sustainability:

- ◆ How do you facilitate collaborations and partnerships between investors and investees to ensure long-term sustainability?
- ◆ What support do you offer in terms of linking organizations with alternative funding sources or co-funding opportunities?

Knowledge Sharing and Capacity Building:

- ◆ How do you support organizations in developing adaptive strategies and governance structures that can weather funding shocks?
- ◆ What platforms or networks have you created to allow organizations to share lessons learned and best practices on adapting to funding disruptions?

Cross-Sector Learning:

- ◆ How do you promote cross-sectoral learning to ensure organizations in vulnerable sectors (e.g., education, livelihoods) can benefit from more resilient sectors (e.g., health, climate)?
- ◆ How do you ensure that organizations are prepared for both immediate and long-term challenges, including the ability to pivot strategies when needed?

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**DEVELOPMENT
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