International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

To cite this article: Hussein Ndonye (2026). BUILDING RESILIENT NGOS IN VOLATILE AID CONTEXTS: LESSONS FROM DOMESTIC RESOURCE MOBILIZATION AND LOCAL FUNDRAISING, International Journal of Research in Commerce and Management Studies (IJRCMS) 8 (4): 722-740 Article No. 847 Sub Id 1400

BUILDING RESILIENT NGOS IN VOLATILE AID CONTEXTS: LESSONS FROM DOMESTIC RESOURCE MOBILIZATION AND LOCAL FUNDRAISING

Hussein Ndonye, PhD

Project Management & Institutional Governance Consultant
Email: ndonyehussein@gmail.com

DOI: https://doi.org/10.38193/IJRCMS.2026.8450

ABSTRACT

The global development financing landscape is undergoing a structural transformation characterized by increasing volatility in Official Development Assistance (ODA), driven by geopolitical priorities, in-donor refugee expenditures, and heightened humanitarian crisis responses. Although aggregate ODA levels have reached historic highs, these reallocations have reduced predictable, country-programmable development financing for low- and middle-income countries (LMICs), exposing civil society organizations to growing financial uncertainty. This study examines domestic resource mobilization (DRM) as a strategic mechanism for strengthening nongovernmental organization (NGO) resilience, autonomy, and sustainability within this evolving aid environment. Grounded in political economy of aid theory, endogenous development theory, and social capital frameworks, the study employs a qualitative comparative case study approach examining three Kenyan civil society organizations: Shining Hope for Communities (SHOFCO), Kenya Community Development Foundation (KCDF), and Malindi Education and Development Foundation (MEDA-F). Through document analysis, policy review, and thematic synthesis, the research evaluates how diversified DRM strategies, including community philanthropy, endowment development, digital fundraising, corporate partnerships, volunteer mobilization, and social enterprise financing, contribute to institutional sustainability and program continuity. Findings indicate that organizations institutionalizing diversified, locally anchored financing ecosystems demonstrate greater resilience to donor volatility, enhanced community accountability, and improved development effectiveness. The study concludes that hybrid financing models integrating DRM with catalytic international assistance provide a viable pathway toward resilient, locally driven, and sustainable development institutions.

KEYWORDS: Domestic Resource Mobilization, NGO Resilience, Local Fundraising, Aid Volatility, Sustainable Development

INTRODUCTION

The global architecture of development financing is undergoing a profound structural transformation characterized not only by fluctuations in ODA volumes but by fundamental shifts in allocation priorities, geopolitical motivations, and the operational function of development aid itself. Although aggregate ODA contributions from Development Assistance Committee (DAC) member countries reached historically high nominal levels in recent years (OECD, 2024) it is evident the aggregate figures obscure substantial internal reallocations that have altered both the accessibility and predictability of financing for low- and middle-income countries (LMICs). A growing proportion of ODA has been redirected toward in-donor refugee hosting expenditures, emergency humanitarian response, and crisis stabilization, particularly in relation to the Ukraine conflict, rather than toward long-term, country-programmable development assistance (Development Initiatives, 2023; OECD, 2024).

Contemporary global policy discourse increasingly reflects concern that development financing is becoming progressively shaped by domestic political imperatives, migration governance, and geopolitical security priorities. International policy commentary and media analyses have underscored the extent to which donor governments are reallocating development resources toward short-term crisis management and strategic foreign policy objectives, often at the expense of sustained structural development investments in vulnerable regions (Le Monde, 2025; OECD, 2024). These trends reinforce long-standing critiques within political economy scholarship that conceptualize development aid as a strategic instrument embedded within global power asymmetries rather than a stable, needs-driven financing mechanism (Edwards & Hulme, 1996; Salamon & Toepler, 2015).

Empirical evidence demonstrates that in-donor refugee expenditures accounted for over one-tenth of total ODA spending by 2023, substantially reducing the proportion of programmable aid available for development programming within recipient countries (OECD, 2024). Concurrently, aid allocations have become increasingly concentrated in response to acute humanitarian crises, while funding directed toward least developed countries (LDCs) and fragile states has experienced relative stagnation (UN DESA, 2024). These financing shifts occur within a broader global context characterized by fiscal austerity in donor countries, escalating public debt burdens, and intensifying competition among development, climate adaptation, security, and migration priorities, collectively contributing to fragmentation and volatility in development finance (World Economic Forum, 2021; UN DESA, 2024).

Simultaneously, LMICs confront escalating internal structural pressures that further complicate development trajectories. Post-pandemic economic contraction, demographic pressures driven by youth unemployment, governance and corruption challenges, localized conflict dynamics, and intensifying climate vulnerability collectively constrain development outcomes in the absence of predictable external financing flows (UNDP, 2020; World Bank, 2022). The convergence of declining aid reliability and increasing domestic socio-economic stressors exposes the structural vulnerability of civil society organizations that remain heavily dependent on external donor funding streams.

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

1.1 Theoretical Positioning of the Study

This study is situated at the intersection of three dominant theoretical paradigms shaping contemporary development finance discourse. First, the political economy of aid literature critiques ODA as a donor-driven mechanism that frequently reinforces dependency relationships, externalizes development agenda setting, and constrains local institutional autonomy (Edwards & Hulme, 1996). Second, endogenous development theory emphasizes that sustainable development outcomes emerge primarily from locally embedded capacities, knowledge systems, and institutional assets rather than externally imposed interventions (Sen, 1999). Third, community-driven development and social capital frameworks underscore the role of local participation, trust networks, and civic engagement in enhancing accountability, institutional legitimacy, and program sustainability (World Bank, 2020a; Charities Aid Foundation, 2023). While these theoretical traditions provide important analytical insights, limited empirical scholarship has systematically examined how domestic resource mobilization (DRM) strategies operationalize these theoretical constructs at the organizational level within civil society financing models. This study addresses this conceptual intersection by analyzing how DRM functions as both a resilience mechanism and an institutional transformation strategy.

1.2 Research Gap and Problem Statement

While development finance scholarship has extensively explored macro-level DRM through taxation and public finance reforms, comparatively little attention has been given to micro- and meso-level DRM strategies employed by NGOs. Although community philanthropy and local fundraising are increasingly recognized in policy discourse, empirical comparative analyses of how these strategies influence organizational resilience, autonomy, and development outcomes remain limited, particularly within African civil society contexts. Much of the existing literature frames local fundraising as a supplementary or transitional financing mechanism rather than as a structurally transformative approach capable of reshaping development financing ecosystems. This study addresses this gap by systematically examining how diversified DRM strategies enhance institutional sustainability and programmatic continuity under conditions of external funding volatility. The central thesis is that, as international ODA becomes increasingly volatile and geopolitically influenced, NGOs that institutionalize diversified DRM including community philanthropy, endowment building, corporate partnerships, volunteer mobilization, and social enterprise financing demonstrate greater resilience, operational autonomy, and effectiveness in achieving sustainable development objectives (KCDF, 2023; The Youth Café, 2022).

1.3 Methodological Approach

To explore this thesis, the study adopts a qualitative comparative case study methodology, integrating document analysis, policy review, and thematic synthesis of evidence from civil society organizations in Kenya. Cases were purposively selected to capture variation in scale, financing models, and institutional design, enabling analytical generalizations on DRM effectiveness. Guided by thematic analysis (Braun & Clarke, 2006), the research identifies patterns in financing diversification,

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

institutional resilience, social capital formation, and program continuity. Triangulation across policy frameworks, organizational documentation, and development financing literature strengthens both analytical validity and policy relevance. Primary data sources included organizational reports, case studies, strategy and fundraising documents, and policy publications from agencies such as OECD and UN DESA. Documents were coded to extract insights on: (a) revenue strategies, (b) indicators of local support including community giving, volunteering, and corporate partnerships and (c) outcomes for program continuity and scalability.

The study examines three purposively selected organizations representing diverse DRM approaches: SHOFCO mobilizing an extensive urban social network; KCDF, a national foundation supporting sustainable, community-driven development; and MEDA-F, a coastal NGO promoting education and sustainable development. Their diversity in scale, structure, and context enhances the study's ability to generate nuanced insights into DRM effectiveness.

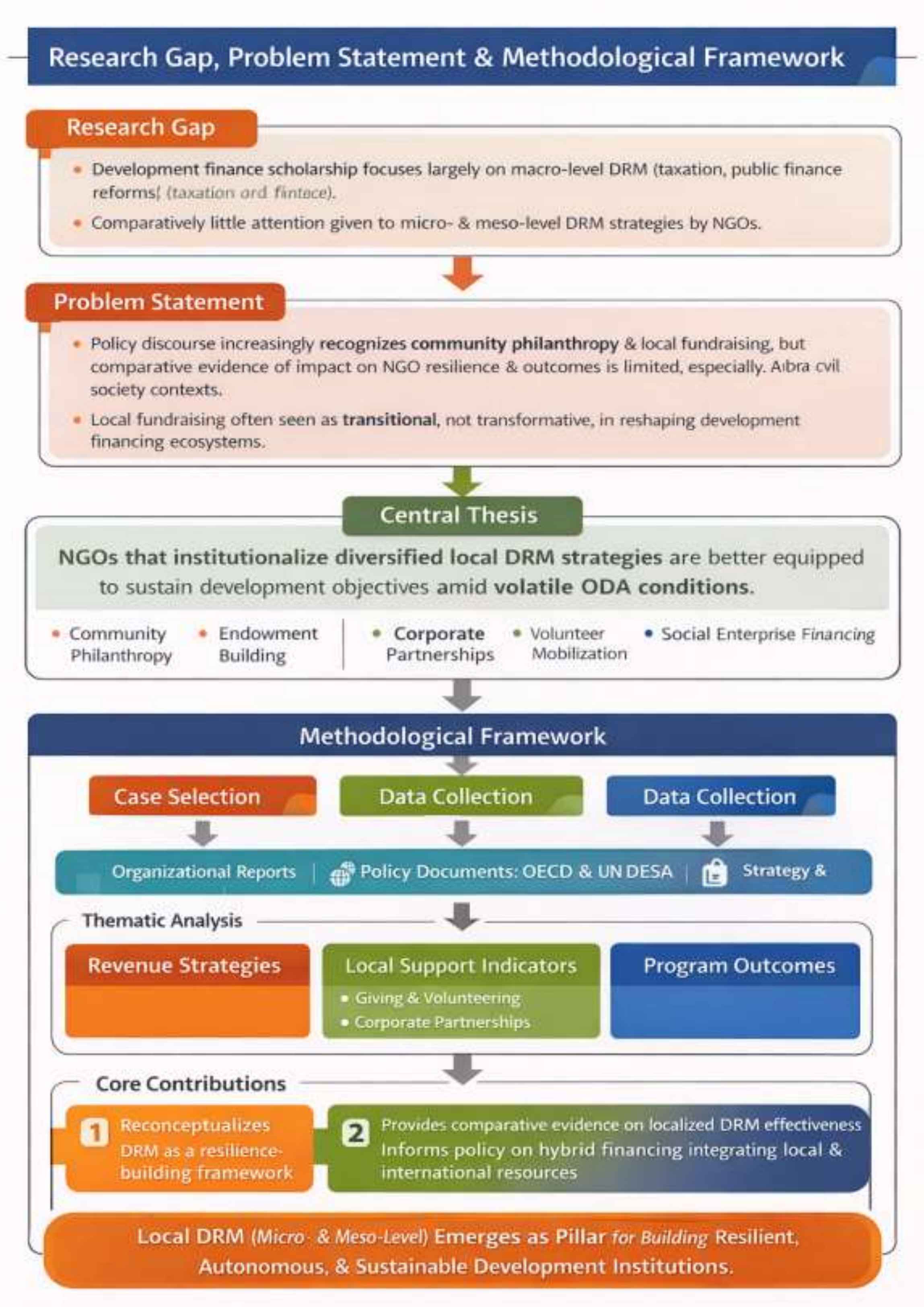
This integrated approach allows the study to contribute to global development finance scholarship in three ways: (1) reconceptualizing DRM as a resilience-building framework rather than a supplemental financing tool; (2) providing comparative evidence on how localized financing ecosystems influence organizational sustainability and development outcomes; and (3) informing policy debates on how hybrid financing models that integrate international assistance with locally mobilized resources can enhance long-term development effectiveness. Ultimately, the study positions locally anchored DRM not merely as complementary to traditional donor aid but as an essential pillar for building resilient, autonomous, and sustainable development institutions.

Figure 1 below is a visual schematic that links the research gap, problem statement, central thesis, and methodological framework

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740



International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

Figure 1: A visual schematic linking research gap, problem statement, central thesis, and methodological framework

2.0 LITERATURE REVIEW

Recent analyses of global ODA highlight a paradoxical financing environment. While aggregate ODA reached historic highs in 2022–2023, these increases largely reflect extraordinary allocations toward humanitarian emergencies, in-donor refugee costs, and geopolitical crises, most notably support to Ukraine, rather than sustained investment in long-term development in LMICs (UN DESA, 2024; OECD, 2024). In-donor refugee expenditures now account for a growing share of total DAC-reported ODA, reducing predictable, country-programmable aid aligned with national development strategies. ODA has become increasingly sensitive to geopolitical shocks, domestic political pressures, and fiscal constraints in donor countries. European aid budgets have experienced retrenchment and reprogramming, while U.S. policy debates signal heightened scrutiny of foreign assistance (Le Monde, 2025). These trends reinforce critiques that ODA is pro-cyclical and politically contingent, translating into financial risk, shorter funding horizons, and constrained programmatic autonomy for NGOs in LMICs (OECD, 2024; UN DESA, 2024). NGOs heavily reliant on a narrow set of donors are particularly vulnerable to abrupt funding contractions, mission drift, and organizational instability.

Concurrently, domestic philanthropy and hybrid financing models are expanding. Evidence shows growth in local giving, diaspora philanthropy, digital fundraising, corporate partnerships, and social enterprise revenue, reflecting a participatory approach that complements traditional aid while enhancing local accountability and ownership (Charities Aid Foundation, 2023; Hudson Institute, 2022; McKinsey & Company, 2020). Global policy frameworks for SDG financing increasingly stress mobilizing domestic and private capital alongside international public resources (UN DESA, 2024; UNDP, 2020). Community-driven development research further demonstrates that locally mobilized resources strengthen program legitimacy, beneficiary accountability, and long-term sustainability (World Bank, 2020a). These dynamics collectively underscore the imperative for NGOs to institutionalize diversified domestic resource mobilization strategies, reducing dependency on volatile ODA and enhancing resilience, autonomy, and development impact.

2.1 Theory and Evidence Supporting Domestic Resource Mobilization and Local Giving

Theoretical and empirical literature on DRM and local philanthropy positions local giving as a critical complement to external aid, particularly for enhancing organizational resilience, downward accountability, and sustainability. DRM encompasses a broad spectrum of resources, including financial contributions, in-kind support, volunteer labor, and locally generated income, all of which can reduce reliance on volatile external funding streams (KCDF case studies).

Scholars argue that locally mobilized resources strengthen community ownership and legitimacy, embedding NGOs more deeply within their constituencies and mitigating power asymmetries inherent in donor-driven development models. Unlike external grants, local giving is often more flexible, less

International Journal of Research in Commerce and Management Studies
ISSN 2582-2292
Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

bureaucratically constrained, and more responsive to contextual needs, enabling adaptive programming during periods of uncertainty (YouthLight Africa). Furthermore, diversified funding portfolios are associated with greater organizational autonomy and reduced susceptibility to donor conditionality and political influence.

Empirical evidence from East Africa supports these claims. Studies documenting philanthropic behaviors in Kenya and comparable contexts highlight substantial, yet under-leveraged, potential for structured local fundraising. The Charities Aid Foundation (CAF) World Giving Index consistently records high levels of informal giving and volunteerism in Kenya, suggesting a robust social foundation upon which formalized community philanthropy mechanisms can be built (CAF, national analyses). This body of evidence challenges assumptions that local resource bases in LMICs are insufficient to support civil society, instead pointing to institutional and capacity barriers that constrain effective mobilization rather than an absence of willingness to give.

2.2 Organizational Models and Mechanisms for Local Financing

A growing body of case-based literature identifies multiple organizational models through which NGOs successfully operationalize local financing strategies. Social enterprise approaches demonstrate how revenue-generating business activities can cross-subsidize social programs, enhance financial sustainability, and insulate core operations from donor volatility (World Bank). While not universally applicable, such models illustrate the feasibility of blending commercial and social objectives within mission-driven organizations. Hybrid financing models that integrate community philanthropy, digital fundraising, and institutional partnerships have also gained traction. For example, organizations such as SHOFCO have leveraged online platforms to aggregate small-scale local and diaspora contributions, complementing traditional grant funding while expanding their supporter base. Philanthropic intermediaries and community foundations such as the KCDF play a catalytic role in this ecosystem by pooling local resources, providing capacity-building support, and strengthening governance standards among grassroots organizations.

The literature suggests that NGOs adopting diversified financing mixes combining local philanthropy, earned income, corporate partnerships, and volunteer contributions are better positioned to withstand funding shocks and sustain long-term impact (World Bank). Importantly, these models do not seek to replace international aid but to recalibrate its role within a broader, more resilient financial architecture that aligns external resources with locally anchored development priorities.

3.0 CASE STUDIES AND EMPIRICAL EXAMPLES

This section presents comparative case studies illustrating how NGOs have operationalized local fundraising and domestic resource mobilization strategies to mitigate exposure to ODA volatility and enhance organizational resilience. The three cases from Kenya are purposively selected and they span grassroots (MEDA-F) intermediary (SHOFCO) and national (KCDF) models, demonstrating multiple pathways through which locally grounded financing complements international aid.

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

3.1 Shining Hope Communities (SHOFCO)

SHOFCO represents a paradigmatic illustration of how community-anchored institutions can operationalize DRM while simultaneously expanding participatory development outcomes. Emerging from grassroots activism within Nairobi's informal settlements, SHOFCO has evolved into an integrated development institution delivering multisectoral interventions across health, education, water and sanitation, gender empowerment, and civic participation. Its institutional architecture demonstrates how diversified financing models, when grounded in community legitimacy and collective agency, can reinforce long-term organizational resilience and programmatic sustainability (Shining Hope for Communities, 2025; Shining Hope for Communities, n.d.).

3.1.1 Capability Expansion and Participatory Agency

SHOFCO's operational philosophy aligns closely with Amartya Sen's capability approach, which conceptualizes development as the expansion of substantive freedoms enabling individuals and communities to lead lives they value (Sen, 1999). Within this framework, resource mobilization is not merely a financial function but a mechanism for strengthening agency, inclusion, and collective empowerment. The SHOFCO Urban Network (SUN) operationalizes this theoretical orientation by mobilizing more than two million community members across multiple counties in Kenya. Through SUN, community residents participate in priority-setting, program co-design, and grassroots advocacy while engaging in structured savings groups and community action forums (Shining Hope for Communities, 2025). These participatory mechanisms cultivate social capital, strengthen horizontal accountability, and enhance local ownership of development initiatives, which are widely recognized determinants of sustainability in civil society programming.

3.1.2 Diversified Financing Architecture and Digital Philanthropy

SHOFCO's financial sustainability strategy reflects an intentional departure from traditional donor dependency toward a blended financing ecosystem integrating digital philanthropy, institutional partnerships, and community-based financial instruments. First, SHOFCO has developed a centralized digital fundraising infrastructure that facilitates both recurring and project-specific donations. This digital consolidation enables geographic diversification of donors, including diaspora communities and individual global supporters, thereby reducing exposure to single-donor volatility. The model also enhances transparency and donor engagement through real-time storytelling and impact communication, reinforcing trust and retention (Shining Hope for Communities, 2025). Second, SHOFCO leverages corporate partnerships and matching gift mechanisms to amplify philanthropic inflows. Such partnerships align corporate social responsibility objectives with community-driven development priorities, generating mutually beneficial value propositions while expanding SHOFCO's financial reach (Shining Hope for Communities, 2025). Third, SHOFCO has institutionalized community finance through the establishment of the SHOFCO Savings and Credit

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

Cooperative (Sacco). The Sacco represents a localized financial intermediary that mobilizes domestic savings while expanding credit access to residents historically excluded from formal banking systems. By 2025, the Sacco had exceeded 30,000 members, with asset growth surpassing KSh. 662 million, demonstrating significant scaling potential and financial viability (Shofco Sacco records 70% growth…, 2025).

3.1.3 Financial Inclusion as a Development Multiplier

The SHOFCO Sacco illustrates the intersection between financial inclusion and grassroots development. Beyond providing credit and savings services, the Sacco strengthens economic resilience at household and community levels, enabling members to invest in microenterprises, education, and housing improvements. This localized capital formation process simultaneously reinforces SHOFCO's broader institutional ecosystem by cultivating trust, strengthening stakeholder engagement, and encouraging reinvestment into community-led initiatives (Shofco Sacco records 70% growth…, 2025).

From a development systems perspective, the Sacco represents a self-reinforcing financing loop in which community-generated resources contribute to organizational sustainability while SHOFCO's service delivery expands members' economic capabilities. Such reciprocal financing structures align with DRM scholarship emphasizing endogenous capital formation as a pathway toward development sovereignty.

3.1.4 Institutional Trust as a Financing Asset

A defining strength of SHOFCO's model lies in its transformation of social legitimacy into financial capital. The organization's embeddedness within informal settlements, sustained engagement through SUN structures, and demonstrable service delivery outcomes generate high levels of community trust. This trust functions as a strategic intangible asset that supports recurring giving behavior, volunteer mobilization, and community savings participation (Shining Hope for Communities, 2025). Empirical literature increasingly recognizes trust-based financing as a critical enabler of sustainable philanthropy in LMIC contexts. SHOFCO's experience reinforces this perspective, illustrating that effective DRM strategies require institutional credibility, participatory governance, and transparent accountability systems.

3.1.5 Programmatic Outcomes and Development Impact

SHOFCO's diversified financing strategy functions as enabling infrastructure supporting its integrated service delivery model. The organization channels mobilized resources into leadership academies, primary healthcare services, clean water infrastructure, gender empowerment initiatives, and financial literacy programs (Shining Hope for Communities, 2025). By securing multiple revenue streams, SHOFCO sustains program continuity despite fluctuations in external donor funding and expands service coverage across underserved urban communities. Importantly, SHOFCO's financing model does not seek to displace international development assistance but rather repositions it within a complementary financing ecosystem. External donor resources serve catalytic and scaling roles, while domestic resources enhance flexibility, local accountability, and long-term sustainability.

3.1.6 Policy and Development Practice Implications

SHOFCO's institutional trajectory offers several strategic lessons for civil society organizations and development policymakers. First, community networks can function as both social and financial infrastructure, supporting program legitimacy and domestic resource mobilization simultaneously. Second, digital fundraising platforms enhance donor diversification and transparency, strengthening resilience against geopolitical and donor-driven funding volatility. Third, community financial intermediaries such as Saccos create endogenous development capital, enabling sustainable financing beyond traditional grant-based models. Fourth, trust and participatory governance serve as core determinants of philanthropic sustainability, particularly within resource-constrained and informal settlement contexts (Shining Hope for Communities, 2025; Sen, 1999).

3.1.7 Synthesis

SHOFCO exemplifies a transformative hybrid financing model in which community-based networks, digital philanthropy, and localized financial institutions converge to support sustainable development programming. By embedding financial mobilization within participatory governance and social empowerment structures, the organization illustrates how DRM can evolve from a supplementary funding mechanism into a foundational pillar of institutional resilience and inclusive development practice.

3.2 Kenya Community Development Foundation (KCDF)

The KCDF represents Kenya's pioneering community foundation, established to promote community-driven development through resource mobilization and the creation of permanent endowment funds. KCDF is grounded in the principle of asset based community development approach, that communities possess intrinsic assets that can be mobilized to support their own development priorities. The foundation emphasizes local ownership, participatory governance, and institutional stewardship as central pillars of sustainable development (KCDF, 2025). Unlike conventional ODA models that often operate through externally defined priorities and conditional funding frameworks, KCDF aggregates domestic philanthropic capital, including community giving and pooled local resources into structured financing mechanisms designed to support long-term development outcomes.

3.2.1 Shifting Power Dynamics

Scholarly critiques of the political economy of development assistance have consistently highlighted how traditional ODA frameworks can reinforce dependency, donor dominance, and externally driven

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

priority-setting. Conventional aid delivery frequently channels funding through international nongovernmental organizations or state institutions, limiting direct financial flows to grassroots organizations and reducing local decision-making authority (Hodgson, as cited in Kenya News Agency, 2026). KCDF's institutional model represents a structural departure from this paradigm by positioning communities as both financiers and decision-makers within development processes. The Giving for Change (GFC) initiative exemplifies this reorientation of power dynamics. Implemented through partnerships with civil society organizations across Kenya, GFC promotes citizen-led development by mobilizing domestic resources to support locally identified priorities, including education infrastructure and social accountability programs (Kenya News Agency, 2026). In Kisumu County, for example, community fundraising efforts generated approximately KSh 1 million, which KCDF matched through its co-financing mechanism to establish the Okuto Community Library. This collaborative financing structure demonstrates how matching grant models can incentivize local contributions while simultaneously reducing dependency on external donors (Kenya News Agency, 2026). By redistributing financial agency toward communities, KCDF's approach aligns with broader political economy scholarship advocating for locally anchored development governance.

3.2.2 Institutionalizing Local Assets

Endogenous development theory emphasizes that sustainable development emerges from internal community capacities, knowledge systems, and locally generated resources rather than externally imposed interventions. KCDF operationalizes this theoretical perspective by embedding asset-based development principles within its strategic and programmatic architecture. The Foundation's 2024–2028 Strategic Plan explicitly prioritizes strengthening domestic resource mobilization while reducing reliance on international donor funding. The strategy promotes matching grant schemes, endowment development, and advocacy for enabling policy frameworks that support community philanthropy and local giving ecosystems (KCDF, 2025). Furthermore, KCDF invests significantly in strengthening institutional capacities among grassroots organizations by providing technical assistance in governance, fundraising strategy, and financial management. These capacity-building interventions enhance organizational sustainability by enabling local institutions to steward resources effectively and independently. Such investments reflect endogenous development principles by empowering communities to define and implement development agendas rooted in local socio-economic realities (KCDF, 2025).

3.2.3 Leveraging Networks and Trust

Social capital theory highlights the role of trust, networks, and norms of reciprocity in facilitating collective action and resource mobilization. KCDF's community philanthropy model deliberately cultivates these relational assets by fostering cooperative networks among community groups, civil society actors, and local institutions. KCDF's matching grant frameworks and local fundraising

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

capacity-building programs reinforce reciprocal investment behaviors, encouraging communities to mobilize resources collectively toward shared development priorities. These mechanisms strengthen community cohesion while building trust between local stakeholders and development intermediaries. By institutionalizing informal traditions of mutual aid and collective giving into structured philanthropic systems, KCDF demonstrates how social capital can function both as an enabling input and as a developmental outcome. Strengthened social networks improve communities' ability to mobilize local resources and enhance their bargaining power in engagement with external development actors (KCDF, 2025).

3.2.4 Challenging Traditional ODA Dependency Frameworks

KCDF's intermediary financing model offers a significant departure from conventional ODA approaches across several interrelated dimensions. First, the Foundation promotes local autonomy over development agendas by enabling communities to drive both resource mobilization and project prioritization. This community-centered governance approach enhances contextual relevance and strengthens civic agency. Second, KCDF prioritizes asset-building strategies that promote long-term financial sustainability. Through permanent endowment funds and institutional capacity strengthening, KCDF fosters financial resilience that extends beyond short-term project funding cycles (KCDF, 2025). Third, KCDF reframes philanthropy as a strategic development financing mechanism rather than a purely charitable activity. By positioning community giving as an investment in local development outcomes, KCDF expands the conceptual scope of philanthropy within development finance discourse. Fourth, KCDF supports the development of integrated local financing ecosystems by facilitating partnerships among local governments, private sector actors, and civil society organizations. These multisectoral collaborations strengthen resource alignment and enhance coordinated development implementation. Collectively, these institutional innovations demonstrate that development finance can be locally generated, socially embedded, and institutionally sustained, providing a viable alternative to traditional ODA-dominated financing structures.

3.2.5 Development Outcomes and Strategic Significance

KCDF's community philanthropy and intermediary financing strategies contribute to broader development outcomes, including strengthened grassroots organizational capacity, improved community infrastructure, and enhanced civic participation. By combining resource mobilization with institutional strengthening, KCDF supports locally owned development initiatives that demonstrate sustained program continuity and community accountability. Moreover, KCDF's model does not reject international development assistance but instead repositions external funding as catalytic support within a diversified financing architecture. This hybrid approach aligns external resources with locally generated capital, thereby strengthening development sustainability and reducing systemic vulnerability to donor volatility.

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

3.2.6 Synthesis

The Kenya Community Development Foundation exemplifies an intermediary domestic resource mobilization model that reconfigures community engagement with development finance. KCDF demonstrates that sustainable development outcomes can emerge through locally mobilized resources, institutional asset building, and participatory civic agency through integrating insights from political economy theory, endogenous development, and social capital frameworks. The Foundation's experience provides compelling evidence that locally grounded financing mechanisms can strengthen development autonomy, resilience, and equity within LMIC civil society ecosystems.

3.3 Malindi Education and Development Foundation (MEDA-F)

MEDA-F represents a grassroots civil society model demonstrating how localized fundraising and community co-investment can sustain development programming in contexts characterized by limited access to stable international donor financing. Operating primarily at the community level in Kenya's coastal region, MEDA-F mobilizes domestic resources through individual local contributions, diaspora philanthropy, in-kind donations, volunteer labor, and partnerships with community-based institutions. This financing approach reflects a pragmatic institutional adaptation to constrained access to large-scale international grants while simultaneously strengthening community ownership over development interventions.

3.3.1 Grassroots Domestic Resource Mobilization and Organizational Adaptation

MEDA-F's financing strategy emphasizes small-scale, recurring local contributions and cost-sharing arrangements with beneficiary communities, particularly in education and youth development programming. Although the total financial volumes mobilized remain modest relative to larger national or international NGOs, research on domestic resource mobilization suggests that diversified local funding streams enhance financial predictability and institutional flexibility, which are critical determinants of organizational resilience (UN DESA, 2024). Local contribution models allow organizations such as MEDA-F to maintain core service delivery even during fluctuations in donor funding cycles. Furthermore, community cost-sharing arrangements reinforce participatory accountability structures by aligning program design with locally expressed needs and priorities. This form of financing demonstrates how DRM strategies can function as adaptive organizational responses within resource-constrained development environments.

3.3.2 Community Co-Investment and Endogenous Development

MEDA-F's resource mobilization model aligns with endogenous development theory, which emphasizes that sustainable development emerges from internal community capacities, social capital, and locally generated resources rather than externally imposed project frameworks. By encouraging beneficiary communities to contribute labor, materials, and financial resources, MEDA-F facilitates participatory development processes that strengthen local ownership and institutional legitimacy. Endogenous development scholarship highlights that community co-investment enhances sustainability by increasing stakeholder commitment to program outcomes and fostering long-term stewardship of development infrastructure (World Bank, 2020). MEDA-F's education-focused initiatives demonstrate how shared investment responsibilities promote collective accountability for program maintenance and success, particularly in rural and peri-urban contexts where public service provision may be limited.

3.3.3 Social Capital and Trust as Financing Mechanisms

The reliance by MEDA-F on local fundraising networks underscores the central role of social capital in grassroots development financing. Social capital theory posits that networks of trust, reciprocity, and social cohesion facilitate collective action and resource mobilization within communities. The organization leverages existing community relationships, volunteer networks, and diaspora connections to mobilize both financial and non-financial resources for development programming. Empirical studies on community philanthropy suggest that locally embedded organizations often benefit from higher levels of community trust, which translates into sustained giving behavior, volunteer participation, and long-term stakeholder engagement (Charities Aid Foundation, 2023). In MEDA-F's case, social legitimacy functions as a strategic intangible asset that enhances both resource mobilization capacity and program implementation effectiveness. Moreover, volunteer labor and in-kind contributions represent significant forms of domestic resource mobilization frequently undervalued within traditional financial accounting frameworks. Such contributions expand program reach while reinforcing participatory governance structures and strengthening community empowerment outcomes.

3.3.4 Programmatic Continuity and Institutional Resilience

MEDA-F's financing structure highlights how grassroots organizations can maintain program continuity despite donor volatility. The predictability and relative flexibility of locally mobilized resources allow MEDA-F to sustain essential education and youth empowerment initiatives during periods of funding uncertainty. Research indicates that diversified revenue portfolios reduce organizational vulnerability to external financial shocks and support incremental institutional growth over time (OECD, 2024). Although MEDA-F operates at a smaller organizational scale compared to national-level NGOs, its experience demonstrates that DRM strategies are scalable across institutional sizes. Incremental resource mobilization through community-based financing mechanisms can gradually strengthen organizational capacity while preserving alignment with local development priorities.

3.3.5 Strategic Significance for Development Practice

The MEDA case contributes to broader development finance discourse in several important ways. First, it illustrates that domestic resource mobilization is not exclusively dependent on sophisticated financial infrastructure or large institutional capacity. Grassroots organizations can implement effective DRM strategies by leveraging community networks, participatory governance, and localized fundraising mechanisms. Second, MEDA-F demonstrates how community co-investment enhances downward accountability and strengthens program sustainability. MEDA-F reinforces the reciprocal relationship between beneficiaries and development institutions by embedding resource mobilization within participatory development frameworks. Lastly, the case challenges assumptions that meaningful development financing must originate from external donors. Instead, MEDA-F illustrates how incremental domestic resource mobilization can provide reliable operational support and enhance institutional resilience in resource-constrained settings.

4.3.6 Synthesis

MEDA-F exemplifies a grassroots domestic resource mobilization model in which community philanthropy, volunteerism, and localized cost-sharing arrangements converge to sustain development programming. Through embedding financing strategies within community participation and trust-based networks, MEDA-F case demonstrates that institutional resilience can be built progressively through locally anchored resource mobilization. The case reinforces the broader argument that DRM strategies are adaptable across organizational scales and that sustainable development outcomes can emerge from community-based financing ecosystems aligned with local priorities and capacities.

3.4. Cross-Case Comparative Synthesis

The preceding case studies of SHOFCO, KCDF and MEDA-F collectively illustrate diverse organizational pathways through which civil society organizations operationalize DRM to enhance institutional sustainability and development impact. While differing significantly in scale, institutional maturity, and financing sophistication, these organizations share a strategic orientation toward reducing donor dependency and strengthening locally anchored financing ecosystems. This comparative synthesis examines how each organization mobilizes domestic resources, institutionalizes community participation, and constructs resilience against volatility in ODA. Through cross-case analysis, the study identifies convergent patterns, divergent institutional strategies, and emergent theoretical contributions to contemporary development finance discourse.

3.4.1 Comparative Institutional Positioning and Organizational Scale

The three organizations represent distinct tiers within the civil society financing landscape, offering insight into DRM scalability across institutional contexts. SHOFCO operates as a large-scale, multi-sectoral development institution combining grassroots legitimacy with professionalized fundraising infrastructure. Its extensive national membership base and diversified financing portfolio position it

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

as a hybrid model integrating community mobilization with global philanthropic engagement (Shining Hope for Communities, 2025). KCDF occupies an intermediary institutional role as a philanthropic infrastructure organization. Rather than implementing development programs directly, KCDF functions as a financial and capacity-building conduit that strengthens grassroots organizations through pooled community resources, endowment building, and matching grant frameworks (KCDF, 2025). MEDA-F represents a localized grassroots organization operating primarily through community-level financing mechanisms and volunteer-driven programming. Its model demonstrates DRM feasibility within resource-constrained environments characterized by limited access to institutional donor funding. The comparative institutional diversity across cases illustrates that DRM is not confined to organizational scale but instead operates along a continuum ranging from micro-level community fundraising to national-level philanthropic infrastructure development.

3.4.2 Financing Architecture and Resource Diversification

The cases reveal differentiated financing architectures reflecting organizational scale, institutional capacity, and operational mandates. SHOFCO employs a highly diversified financing model integrating digital philanthropy, corporate partnerships, diaspora fundraising, and community-based financial institutions such as savings and credit cooperatives. This multi-channel approach strengthens financial resilience by distributing risk across multiple revenue streams while enabling rapid scaling of service delivery programs. On the other hand, KCDF's financing architecture centers on structured philanthropic intermediation. By aggregating domestic contributions into endowment funds and matching grant programs, KCDF institutionalizes local giving into sustainable capital pools that generate long-term development financing capacity. This model emphasizes capital preservation and intergenerational resource sustainability. MEDA-F relies on small-scale, recurring community contributions, in-kind support, and volunteer labor. Although less financially sophisticated, MEDA-F's financing approach offers high adaptability and operational flexibility, particularly during donor funding contractions. Across cases, financing diversification emerges as a central determinant of organizational resilience, consistent with development finance literature linking diversified revenue portfolios to enhanced institutional sustainability and reduced exposure to donor volatility (OECD, 2024).

3.4.3 Community Participation and Capability Expansion

All three cases demonstrate that effective DRM strategies are closely linked to participatory development models, reinforcing Amartya Sen's capability framework, which conceptualizes development as the expansion of human freedoms and agency (Sen, 1999). SHOFCO institutionalizes participatory engagement through the SUN programs which enables community members to co-design programs, participate in collective advocacy, and engage in savings and investment initiatives. This participatory ecosystem simultaneously strengthens social agency and financial mobilization capacity.

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 04 July-August; 2026 Page. No. 722-740

KCDF facilitates participatory development indirectly by strengthening local organizations' capacity to mobilize resources and govern development initiatives. Through matching grants and capacity-building interventions, KCDF empowers communities to assume ownership of development agendas while enhancing institutional stewardship of locally mobilized resources. MEDA-F embeds participation through direct community co-investment in development projects. Beneficiary contributions in the form of financial inputs, volunteer labor, and material support reinforce shared accountability and long-term program sustainability. Comparatively, the cases demonstrate that participatory governance structures function not only as accountability mechanisms but also as financial mobilization catalysts, reinforcing the reciprocal relationship between community engagement and resource sustainability.

3.4.4 Social Capital as a Strategic Development Asset

Social capital emerges as a foundational determinant of DRM effectiveness across all cases. Each organization leverages networks of trust, reciprocity, and community cohesion to mobilize resources and sustain stakeholder engagement. SHOFCO transforms social legitimacy into scalable financing through sustained community engagement and demonstrable service delivery outcomes, which reinforce donor confidence and repeated philanthropic contributions. KCDF cultivates social capital by strengthening cooperative relationships among community organizations, philanthropic actors, and local institutions. Its intermediary model formalizes informal giving practices into structured philanthropic ecosystems that expand community participation in development financing. MEDA-F relies heavily on localized trust networks and volunteer mobilization to sustain program continuity. Its grassroots legitimacy facilitates consistent local contributions despite limited institutional fundraising infrastructure. The cross-case analysis reinforces scholarly arguments that social capital constitutes both an enabling input and an outcome of sustainable development financing systems, particularly within low- and middle-income country contexts (Charities Aid Foundation, 2023).

4.0 DISCUSSION

Each of the studies case challenges traditional ODA dependency paradigms by repositioning external donor funding within broader, locally anchored financing ecosystems. SHOFCO demonstrates how digital fundraising and community financial institutions can reduce reliance on single-donor funding streams while maintaining international philanthropic engagement. On the other hand, KCDF reconfigures development finance governance by redistributing financial agency to communities and strengthening domestic philanthropic capital formation through endowment and matching grant models. MEDA-F illustrates that even small-scale grassroots organizations can sustain development programming through incremental domestic resource mobilization, challenging assumptions that external aid is indispensable for civil society survival. These cases collectively suggest that DRM strategies do not replace international aid but instead recalibrate its role from primary financing source to catalytic and complementary investment.

The cross-case synthesis generates several conceptual insights relevant to contemporary development policy and civil society sustainability literature. First, DRM effectiveness is strongly correlated with institutional embeddedness within community governance structures. Organizations that cultivate participatory networks demonstrate greater financial resilience and stakeholder legitimacy. Second, DRM operates as both a financing strategy and a governance mechanism. Resource mobilization processes that involve community participation strengthen accountability, transparency, and program sustainability simultaneously. Third, institutional intermediaries such as community foundations play critical roles in scaling domestic philanthropy by bridging grassroots organizations and national financing ecosystems. Fourth, DRM scalability is non-linear and context-dependent. While large organizations leverage technological and corporate financing channels, grassroots organizations achieve resilience through localized trust networks and community co-investment. These insights contribute to emerging scholarship emphasizing endogenous development financing as a pathway toward development sovereignty and institutional sustainability in LMIC contexts (UN DESA, 2024).

The findings hold several implications for development policymakers, donors, and civil society actors. Policymakers should strengthen regulatory and fiscal environments that incentivize community philanthropy and domestic giving. Donors should transition from direct project financing toward catalytic investments that strengthen DRM capacity and institutional sustainability. Civil society organizations should prioritize diversified financing portfolios, participatory governance structures, and institutional trust-building strategies as core organizational competencies.

5.0 CONCLUSION

The comparative analysis of SHOFCO, KCDF, and MEDA-F demonstrates that domestic resource mobilization constitutes a viable and scalable pathway toward civil society sustainability and development resilience. Despite differences in institutional scale and financing sophistication, all three organizations illustrate that locally anchored financing ecosystems can enhance program continuity, strengthen community ownership, and reduce systemic vulnerability to donor volatility. The cases have collectively provided empirical evidence that sustainable development financing is most effective when embedded within participatory governance frameworks, diversified revenue portfolios, and trust-based community networks. These findings support a growing shift within development discourse toward hybrid financing architectures that integrate domestic resource mobilization with strategic external assistance.

REFERENCES

Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology, 3*(2), 77–101. https://doi.org/10.1191/1478088706qp063oa

Charities Aid Foundation. (2023). *CAF World Giving Index 2023: A global view of giving trends*.

https://www.cafonline.org

Development Initiatives. (2023). *Global humanitarian assistance report 2023*. https://devinit.org/resources/global-humanitarian-assistance-report-2023/

Hudson Institute. (2022). *Global philanthropy environment index 2022*. https://www.hudson.org

KCDF (2023). *Community philanthropy and domestic resource mobilization in Kenya*. https://www.kcdf.or.ke

KCDF (2024). *Strategic plan 2024–2028*. https://www.kcdf.or.ke

McKinsey & Company. (2020). *Reimagining social sector funding: Diversification and resilience in nonprofit financing*. https://www.mckinsey.com

OECD. (2024). *Official development assistance (ODA) levels in 2023: Preliminary data*. https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/

OECD. (2024). *Development co-operation report 2024: Tackling poverty and inequality through financing*. OECD Publishing. https://doi.org/10.1787/dcr-2024-en

Salamon, L. M., & Toepler, S. (2015). Government–nonprofit cooperation: Anomaly or necessity? *Voluntas: International Journal of Voluntary and Nonprofit Organizations, 26*(6), 2155–2177. https://doi.org/10.1007/s11266-015-9651-6

Sen, A. (1999). *Development as freedom*. Oxford University Press.

SHOFCO. (2025). *Annual report and program impact report*. https://www.shofco.org

United Nations Department of Economic and Social Affairs. (2024). *Financing for sustainable development report 2024*. United Nations. https://financing.desa.un.org/publications

United Nations Development Programme. (2020). *Integrated national financing frameworks for the Sustainable Development Goals*. UNDP. https://www.undp.org

World Bank. (2020). *Community-driven development overview*. https://www.worldbank.org/en/topic/communitydrivendevelopment

World Bank. (2022). *World development report 2022: Finance for an equitable recovery*. World Bank. https://doi.org/10.1596/978-1-4648-1730-4

World Economic Forum. (2021). *The global risks report 2021* (16th ed.). https://www.weforum.org

The Youth Café. (2022). *Youth-led domestic resource mobilization and civic engagement in Africa*. https://www.theyouthcafe.com