“Empowering Organizations to Create Impact”

Beyond the Funding Crisis: Legitimacy, Resilience and the Future of Civil Society in East Africa

Policy Brief #1: August 2026

Executive Summary

Recent shifts in the global development landscape have generated widespread concern about the future sustainability of civil society organizations across East Africa. While much of the public discourse has focused on declining donor resources and changing funding priorities, a convening of civil society leaders, practitioners, and ecosystem actors revealed a broader and more fundamental challenge.

Participants reflected that the current moment should not be understood simply as a funding crisis, but rather as a period of structural transition within the civil society ecosystem. Questions of legitimacy, accountability, resilience, leadership, collaboration, and community ownership emerged as equally important considerations for the sector's future.

This policy brief summarizes key reflections from the convening and highlights priority areas for future dialogue and action.

1. The Context

Civil society organizations across East Africa are operating within an increasingly complex environment characterized by shifting donor priorities, changing geopolitical interests, evolving regulatory frameworks, technological disruption, and growing demands for locally led development.

For many organizations, reductions in traditional donor funding have exposed long-standing vulnerabilities related to financial dependency, organizational sustainability, and accountability structures. At the same time, these changes present an opportunity to critically examine the future role of civil society and the systems that support it.

The convening sought to explore what the current moment reveals about the state of the ecosystem and what pathways may strengthen resilience beyond financial dependency alone.

2. Key Findings

2.1. The Sector is Experiencing Structural Change

Participants emphasized that current funding challenges are symptoms of wider geopolitical, economic, and development shifts that have been unfolding over many years.

The transition from aid-centered approaches toward trade, investment, security, migration management, and climate-related priorities is reshaping the environment within which civil society operates. As a result, organizations must prepare for long-term transformation rather than temporary disruption.

2.2. Legitimacy Must Become a Central Concern

A recurring theme was the need to re-examine the legitimacy of civil society organizations and their relationship with communities. This discussion highlighted the importance of rebuilding trust and ensuring that communities remain central to decision-making processes. Some key questions included:

- Who organizations are ultimately accountable to.
- Whether donor priorities have overshadowed community priorities.
- How can organizations strengthen their connection to constituencies.
- Whether existing organizational models adequately support community ownership.

2.3. Resilience Extends Beyond Financial Sustainability

While financial sustainability remains important, participants argued that resilience should be understood more broadly. Exemplified as follows, it was attested that organizations that invested in the following dimensions were likely to be better positioned to navigate uncertainties.

- Adaptive leadership.
- Strong governance systems.
- Community trust and legitimacy.
- Strategic learning and foresight.
- Diversified revenue streams.
- Collaborative networks and partnerships.

2.4. Collective Action is Increasingly Necessary

Participants stressed that the complexity of current challenges requires stronger collaboration across organizations, sectors, and countries. Strategic alliances, consortiums, peer learning platforms, and joint advocacy efforts were identified as important mechanisms for strengthening the ecosystem and reducing fragmentation.

The discussion suggested that collective resilience may become as important as organizational resilience.

2.5. The Sector Must Reconsider Its Relationship with Finance

One of the most significant reflections concerned the financial culture within the sector. There was growing recognition that sustainability may require a shift from short-term expenditure models toward approaches that support long-term financial resilience.

A few identified challenges were:

- Heavy dependence on external donor financing.
- Limited investment cultures.
- Insufficient reserve funds and endowments.
- Restrictions that discourage asset-building and resource generation.

2.6. Local Resource Mobilization Remains Underdeveloped

Participants noted that local resource mobilization extends beyond monetary contributions. Strengthening locally generated resources was viewed as essential for reducing external dependency and increasing ownership. Potential opportunities locally drawn include:

- Reviving and encouraging community giving and volunteerism.
- Local philanthropy.
- Corporate engagement.
- Social enterprise models.
- Government partnerships.
- Fee-for-service arrangements.
- Investment and endowment mechanisms.

2.7. Lessons from Social Movements

The convening reflected on the experiences of feminist and grassroots movements that have demonstrated resilience despite resource constraints. A highlight of some key lessons learnt provide valuable insights for the wider civil society ecosystem. A few drawn contributing factors to the sustainability of such movement irrespective of setbacks include:

- Strong constituency relationships.
- Collective identity and solidarity.
- Long-term steady movement building.
- Flexible funding mechanisms.
- Investment in research, evidence generation, and documentation.

2.8. Civic Space Remains a Critical Concern

Participants expressed concern regarding regulatory and policy environments developments that further affect the sustainability and effectiveness of civil society organizations across the region. The noted developments have over time shown to increasingly constrain civic action. Some emerging challenges have been observed as:

- Restrictions on foreign funding.
- Complex compliance requirements.
- Cross-border funding barriers.
- Regulatory frameworks that limit organizational and operational flexibility.

2.9. Technology Presents Both Opportunity and Responsibility

Technology, including artificial intelligence, was identified as a potential enabler of organizational resilience. However, participants did note that technology must be adopted strategically and responsibly to garner the intended results. Participants recognized opportunities to include:

- Improve operational efficiency.
- Reduce costs.
- Enhance learning and knowledge management.
- Increase organizational agility.

2.10. Capacity and Knowledge Gaps Continue to Limit Agency

Many participants noted that the challenge is not necessarily the absence of opportunities but limited access to information, skills, and support systems.

Addressing key gaps was viewed as critical for strengthening not only organizational autonomy but also sector-wide resilience. Some priority areas identified included:

- Leadership development.
- Financial and investment literacy.
- Knowledge sharing.
- Accessible learning resources.
- Strategic planning and foresight capabilities.

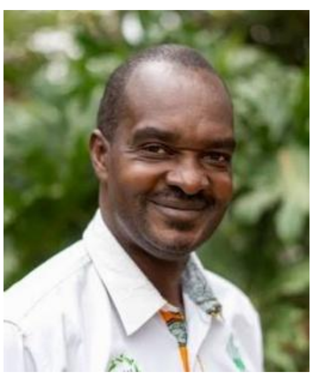
3. Implications for Civil Society in East Africa

The convening suggests that civil society is in a period of significant transformation currently experiencing financial turmoil and that organizations that continue to rely solely on traditional funding models may face increasing vulnerability.

At the same time, the current transition offers an opportunity to strengthen broader and much systemic and structural factors as legitimacy, deepening community ownership, diversify resources, investing in leadership, and build stronger collaborative ecosystems and building stronger courses for autonomy as a sector.

The future sustainability of civil society may depend less on the availability of donor funding and more on the sector's ability to adapt, innovate, collaborate, and remain accountable to the communities it seeks to serve.

4. Conclusion



The discussions demonstrated that the current moment is not merely a challenge to be managed but an opportunity to reimagine the future of civil society in East Africa. While funding remains an important concern, resilience will ultimately depend on legitimacy, leadership, collaboration, innovation, and the ability of organizations to remain rooted in and accountable to their communities.

The conversation therefore broadly calls for a shift from responding to crisis toward intentionally galvanizing efforts to shaping the next chapter of civil society development in the region.