

OPINION

# NPOs are needed now more than ever, so show them the money

Non-profits prided themselves on their self-sufficiency, but with income gone, something's got to give

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Picture: AFP/MARCO LONGARI

The staggering human impact of the Covid-19 pandemic has seen a groundswell of awareness and discussion of our country's not-for-profit organisations (NPOs) – the sector most directly involved in relief efforts to SA's most

Right now, many NPOs are struggling. The pandemic has created an unprecedented demand for their services, while their funding has slowed dramatically. In a recent survey of more than 700 NPOs carried out by Nation Builder, 71.8% of participants said they had seen an increase in demand for their services, and 72.2% indicated there had been a decrease in financial support from funders.

NPOs are being inundated with people who need help with food, shelter and support, and there are simply no more than 60% of NPOs have seen an increase in overheads and project expenses during the Covid-19 period, and decreasing donor support due to our country's economic realities. The challenge they provide hangs in the balance.

Government and private funds have implemented different mechanisms to address the impact of the pandemic. The Solidarity Fund is spending billions to access many of these mechanisms at a time when they require support.

The challenge is that, as part of the sector's perceived need for sustainability during the pandemic, the best performing NPOs in terms of fundraising would struggle to generate a cent.

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“ There’s a real need to help NPOs build long-term capacity as well, as the effects of the pandemic will most likely be with us for the next 24 months or more. ”

Most of their income is gone, with little hope of accessing any relief. Well-established NPOs might have financial reserves to support the organisation for a few months before being depleted.

This raises the question whether self-sustainability is the holy grail we thought it to be. The very thing we’ve long pursued is proving to be their downfall. Maybe it is time for us to return to the definition of sustainability that says it’s not just about income: a combination of self-generated, philanthropic, corporate social investment, government, individual and community support.

An important point to make is that the SA business sector has a key role to play in the ongoing sustainability of NPOs — and here, the need to take a longer-term view is key. While many financial interventions have focused on short-term relief work, there’s a real need to help NPOs build long-term capacity as well, as the effects of the pandemic will most likely be with us for the next 24 months or more.

Unfortunately, corporate social investment budgets are among the first to shrink in a time of crisis. But there are still numerous ways the private sector can continue to contribute. NPOs need resources to operate, and these are not limited to financial resources. In fact, if properly planned and sought, non-financial resources can also play a crucial role in the growth and development of an NPO.

If NPOs were an integral part of our society before, they’re even more critical now. Before Covid-19, children in disadvantaged areas had NPOs offering after-school facilities, food and a social safety net. They were helping resolve family conflict and assisting with the development of micro-enterprises. They were providing job training and development. They were addressing societal issues and producing outcomes that the government and the private sector couldn’t.


While everybody’s major focus right now is relief, we can’t be shortsighted, or ignore the problems waiting down the road. In the next nine to 12 months to support the unemployed, assist with the increase in homeless people, and help children and young people, we’re going to see widespread unemployment, which will demand skills development, training and enterprise development on a large scale.

Helping meet these longer-term needs will be vital. To help make a dent in this problem we’re all going to have to work together. We need to work to rebuild our society and economy.

The bottom line? The private sector, government and civil society are going to have to find innovative ways to support the country’s recovery phase, and to build the sustainability of the sector. Our country can’t afford not to.

• *Paschal is executive trustee of NPO Nation Builder.*

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