



CCC MEMBERS 275TH BI-MONTHLY MEETING

A Brief Report on CSO Funding Landscape in Cambodia

23 May 2024



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Introduction

The civil society in Cambodia has seen growth since the 1990s, influenced by flexible rules, external funding, and involvement of organizations like the UN. CSOs rely heavily on foreign funding, impacting sustainability.

Disparities exist between state-supported and other NGOs, highlighting funding challenges.

The dynamic funding landscape faces obstacles like limited resources, competition, and changing priorities.

Introduction (Cont)

Legal Environment and Government Restrictions

- LANGOs impose strict requirements
- Government restrictions hinder operations
- Challenges for human rights and democracy-focused CSOs

COVID-19 Pandemic and Economic Impact

- Decline in available funds
- Economic downturn affecting operations

Financial Viability and Funding Sources

- Lack of diversification
- Reliance on foreign funding

Objectives

Analyze budget trends

Evaluate secured funding

Study SIDA funding impact

Address funding challenges

Methodology



Cross-sectional Study
survey of 103 NGOs



Simple random
sampling



Google form Survey
from Feb 9, 2024, to
Mar 22, 2024



Statistical tools used

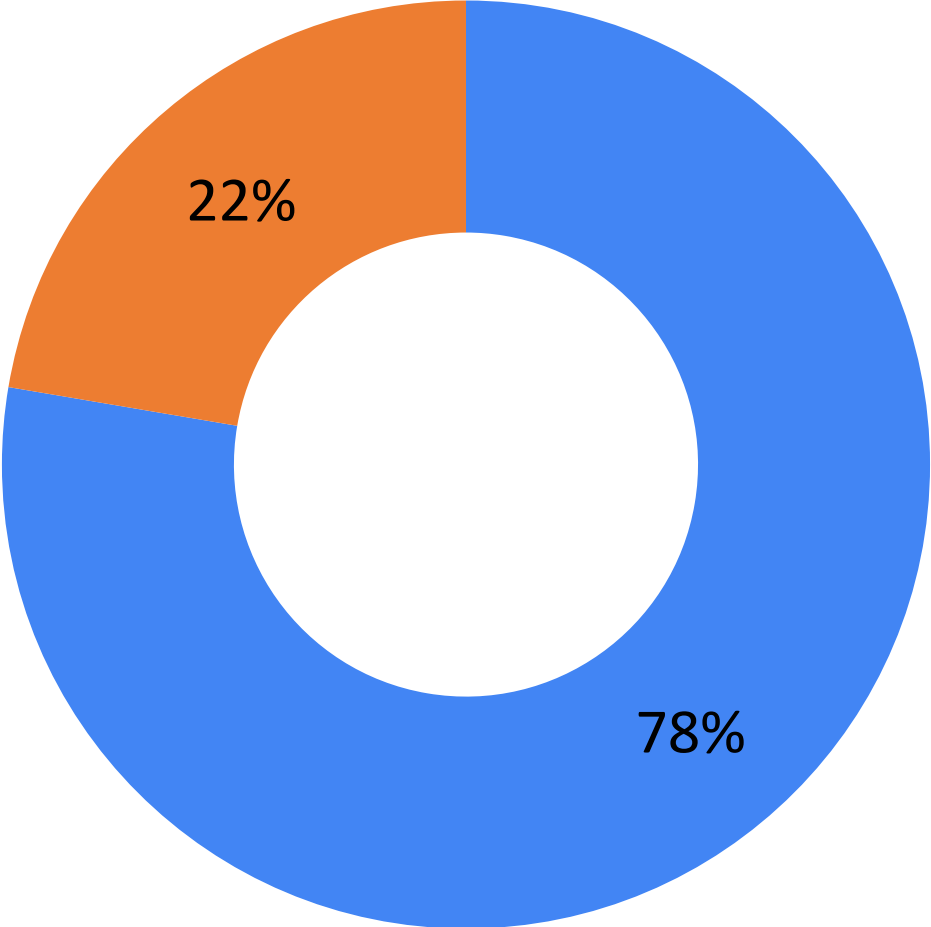


Graphs and tables for
data representation



Findings

Demographic Information



- Domestic NGO
- Foreign NGO

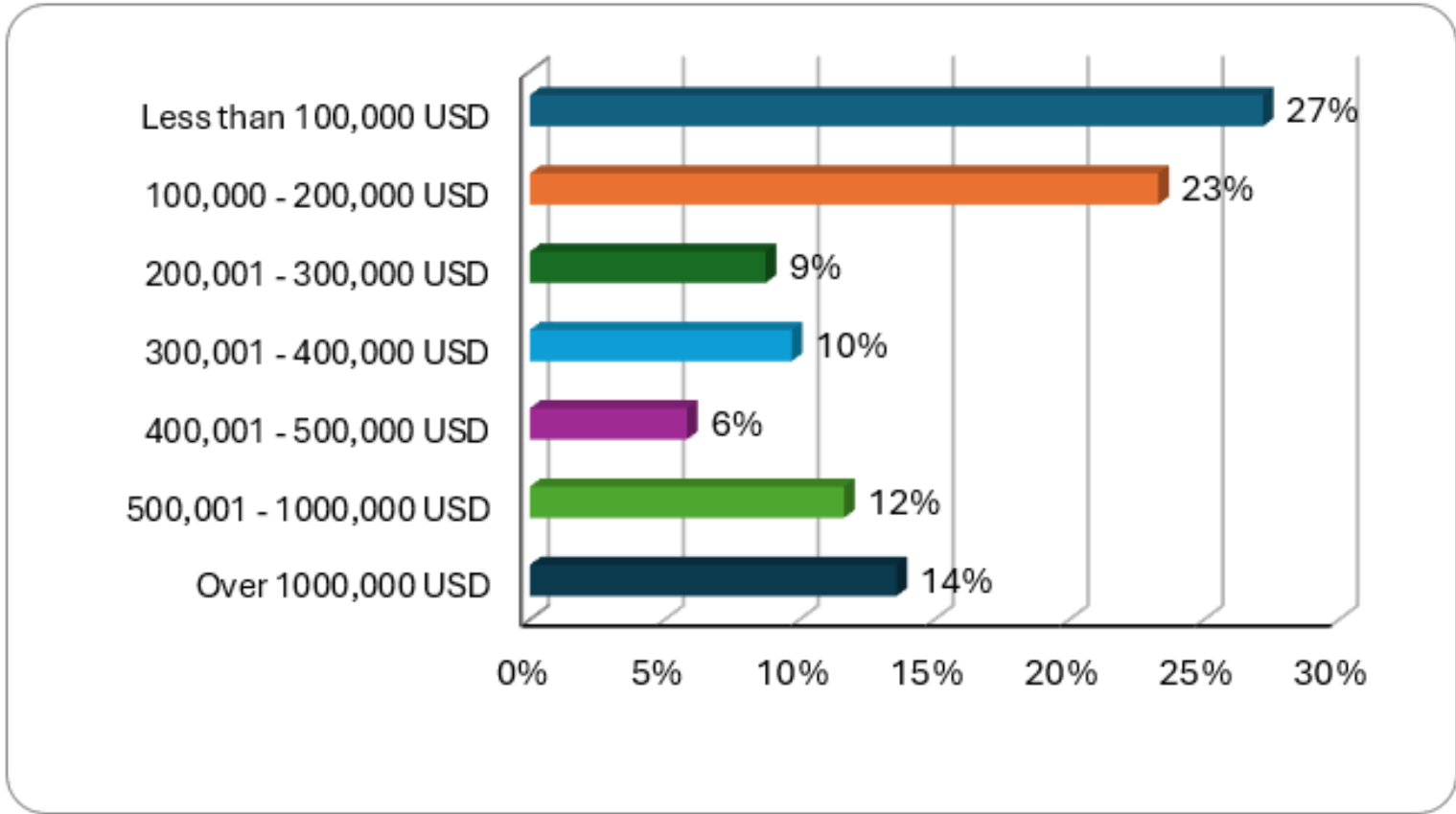


Figure 2: The previous annual budget of your organization in the last THREE years

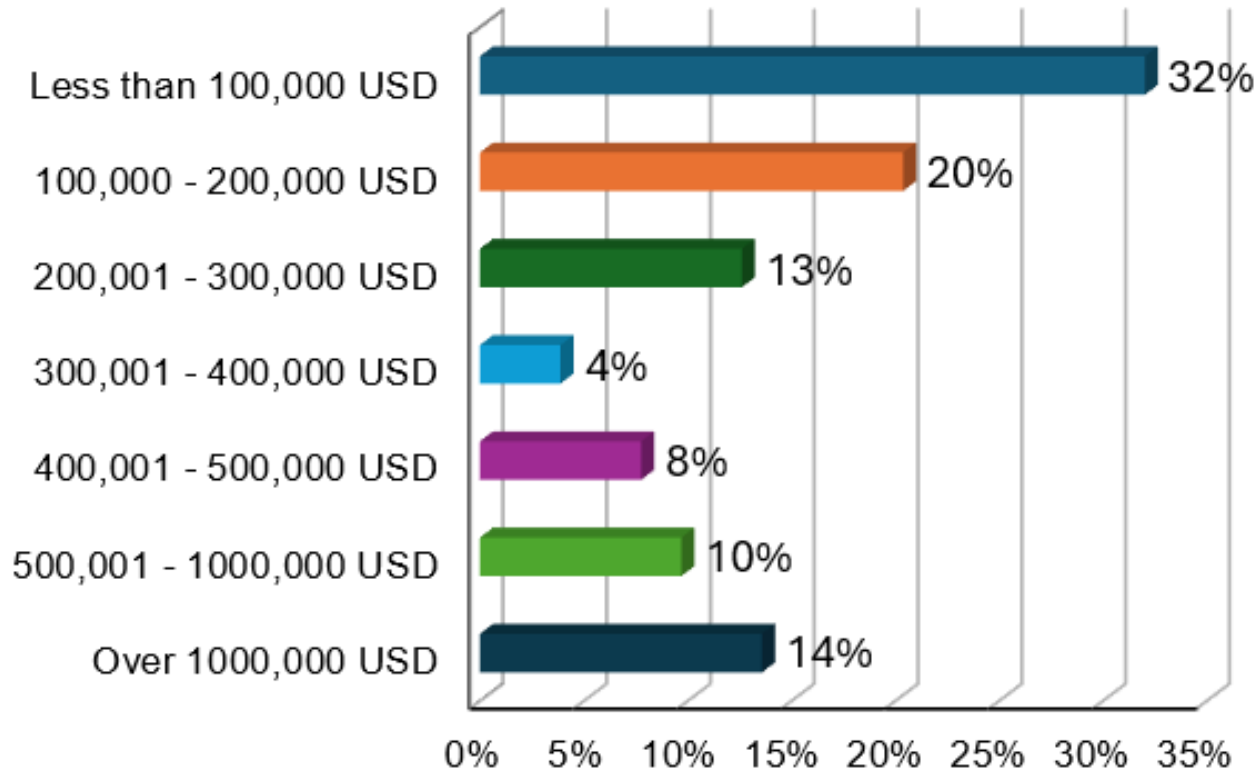


Figure 3: The current annual budget of your organization in 2024

**Decreasing
Budgets for
Smaller CSOs**

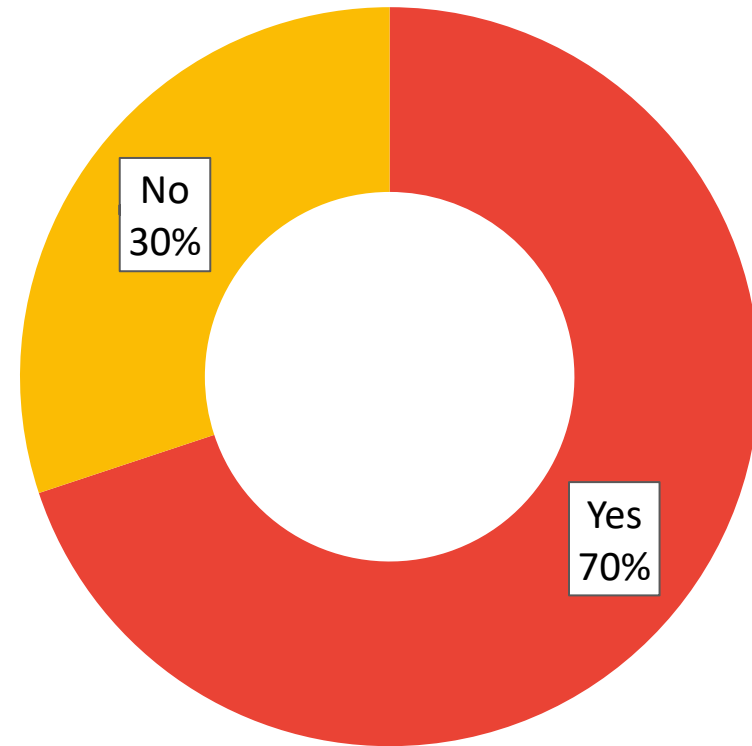
**Stable
Funding for
Larger CSOs**

The data suggests a trend towards smaller budgets for many CSOs in Cambodia, which could **impact their ability to effectively implement programs and advocate for change**. Larger CSOs **appear to have maintained their funding levels**, potentially indicating a concentration of resources among fewer organizations.

Secured Funding?

Majority of CSOs have secured funding, but for limited periods

The data reveals that CSOs have secured funding for upcoming years, with 72% of respondents indicating they have secured funding. This suggests that a significant portion of the sector is able to maintain operations and implement programs.



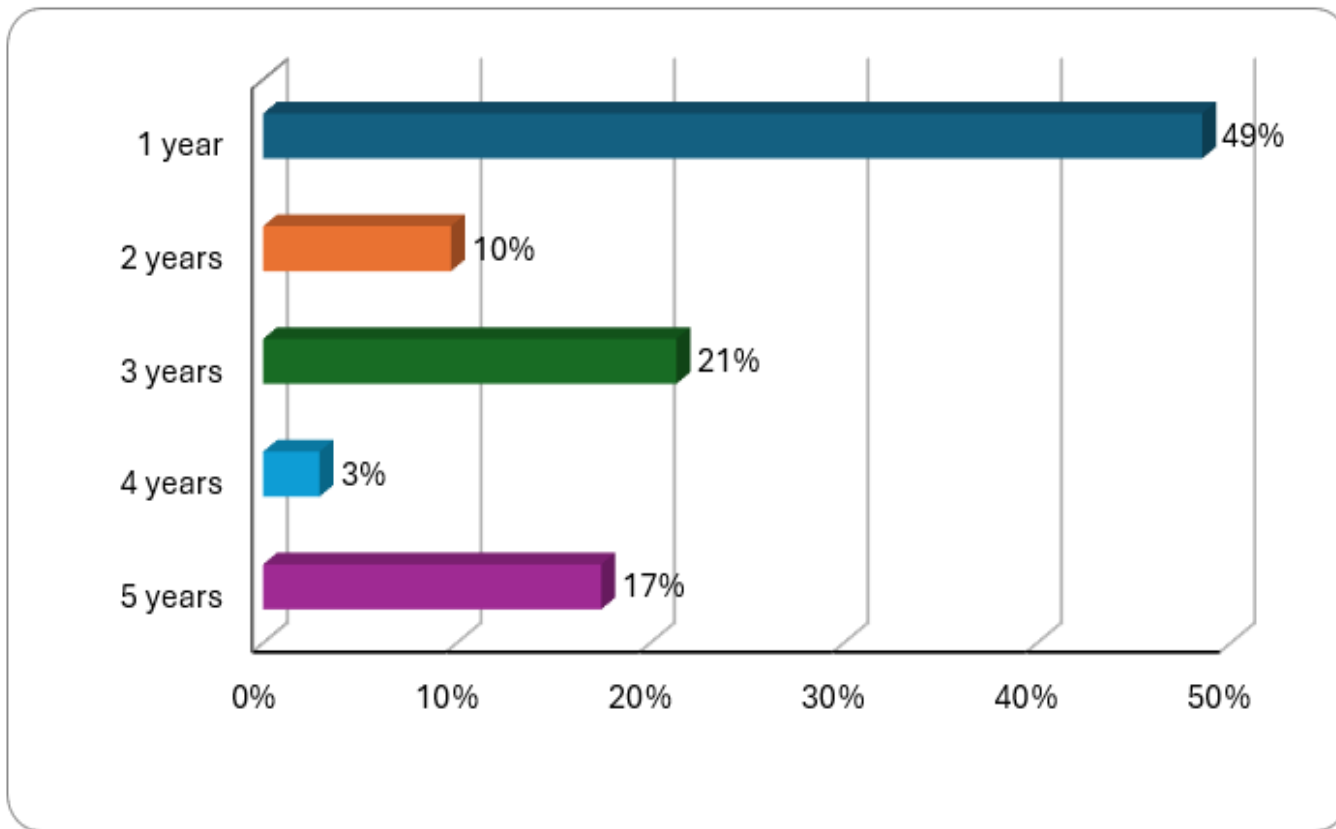


Figure 5. How many years of secured funding does your organization have?

Many of these organizations (49%) only have secured funding for 1 year, while only 17% have funding secured for 5 years. This indicates that many **CSOs in Cambodia face uncertainty in their long-term financial sustainability.**

Changes in Funding Sources

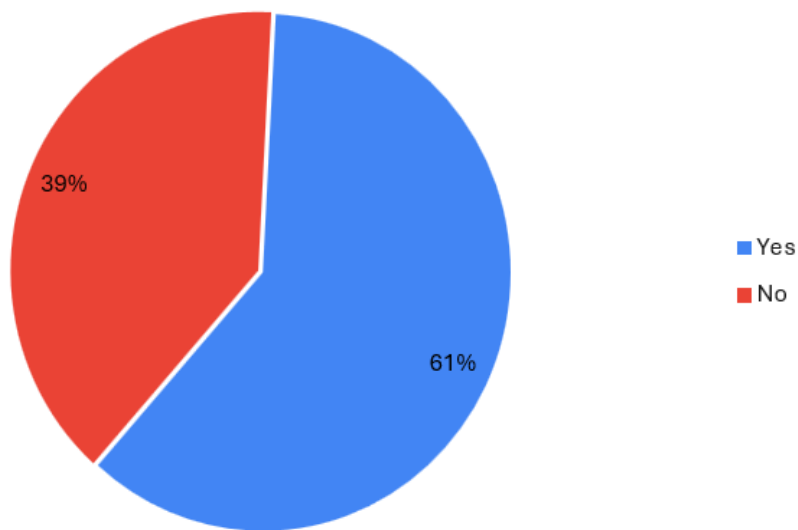


Figure 6: Has your organization experienced any changes in your funding sources in the past 3 years?

Changes in funding sources over the past 3 years

The data also reveals that 61% of CSOs have experienced changes in their funding sources over the past 3 years. This suggests a dynamic funding landscape, where organizations are handling the shifts in donor priorities, economic conditions, and evolving development needs.

The data reveals that CSOs reported a **decrease in funding from international donors**, particularly during the COVID-19 pandemic. Some mentioned **losing key funders, while others noted that international donors have shifted priorities** away from Cambodia or their specific sectors. This has led to increased **competition for limited resources as more organisations have fewer funding opportunities**.

The data indicates that **a significant portion of CSOs in Cambodia rely on short-term funding**, with many projects only lasting one year. This lack of long-term, sustainable funding makes it challenging for organizations to plan and implement programs effectively.

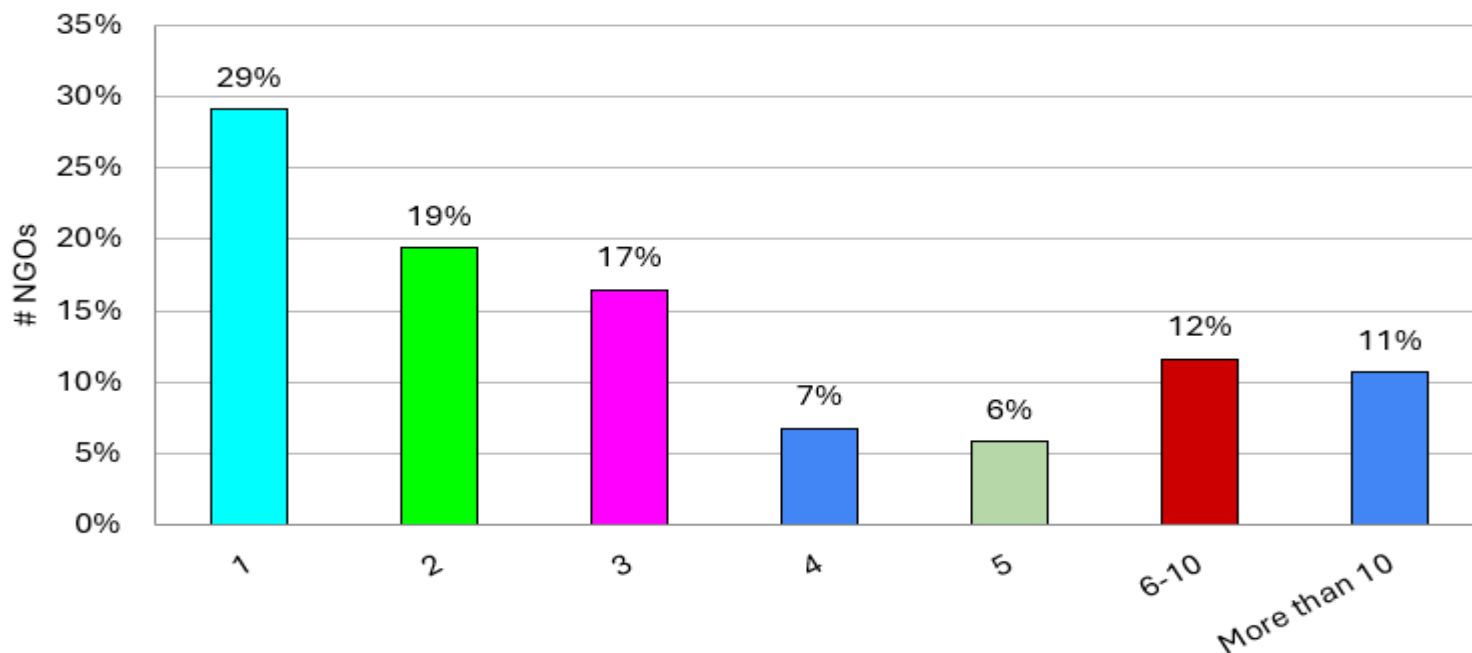


Figure 7: How many funding sources/Donors does your organization currently have?

Diversification of Funding Sources

The majority of CSOs (29%) **have only one funding source/donor, indicating a significant reliance on a single donor.** However, a notable proportion (12%) have 6-10 funding sources, and 11% have more than 10, suggesting a diversification of funding sources for some organizations.

SIDA Funding

Only **11% of the surveyed CSOs** (11 out of 103 CSOs) have received funding from SIDA, indicating that SIDA's funding support has been limited among the broader CSO sector in Cambodia. However, among the CSOs that have received SIDA funding, **64% have considered it a core funding source in the past years.**

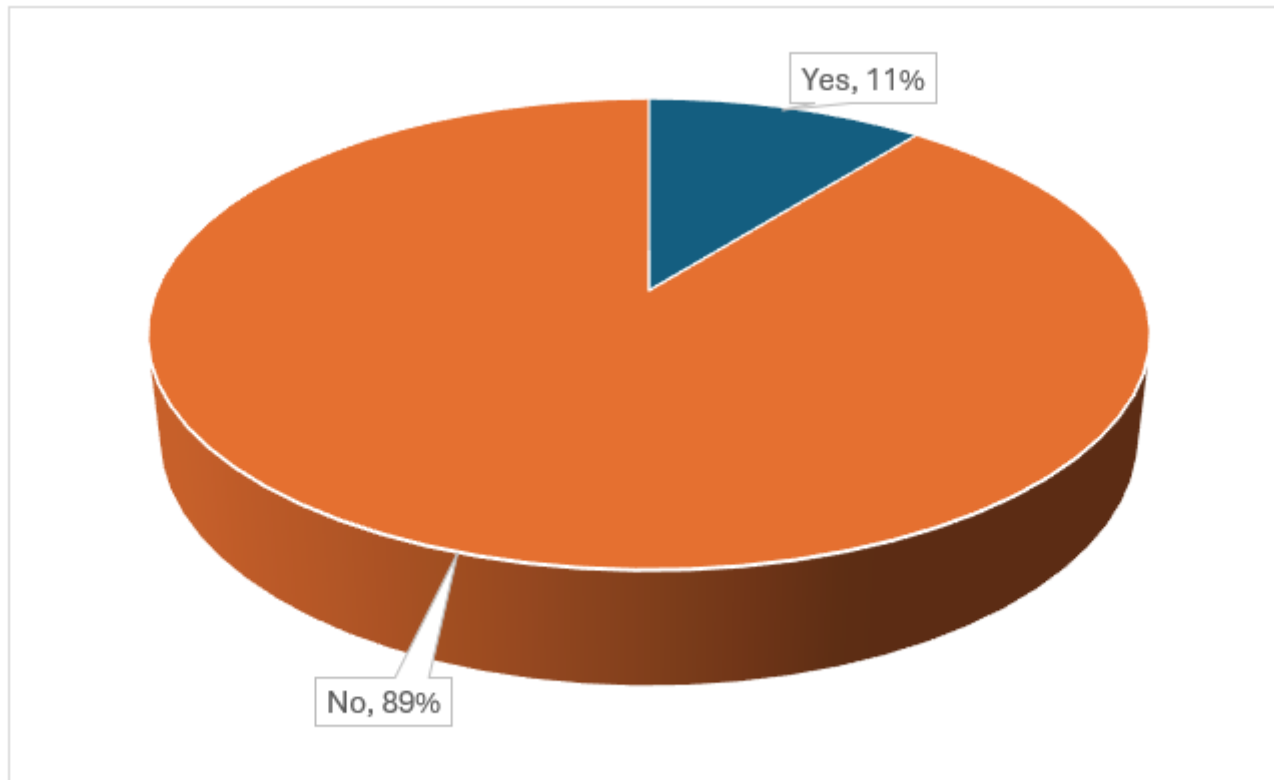
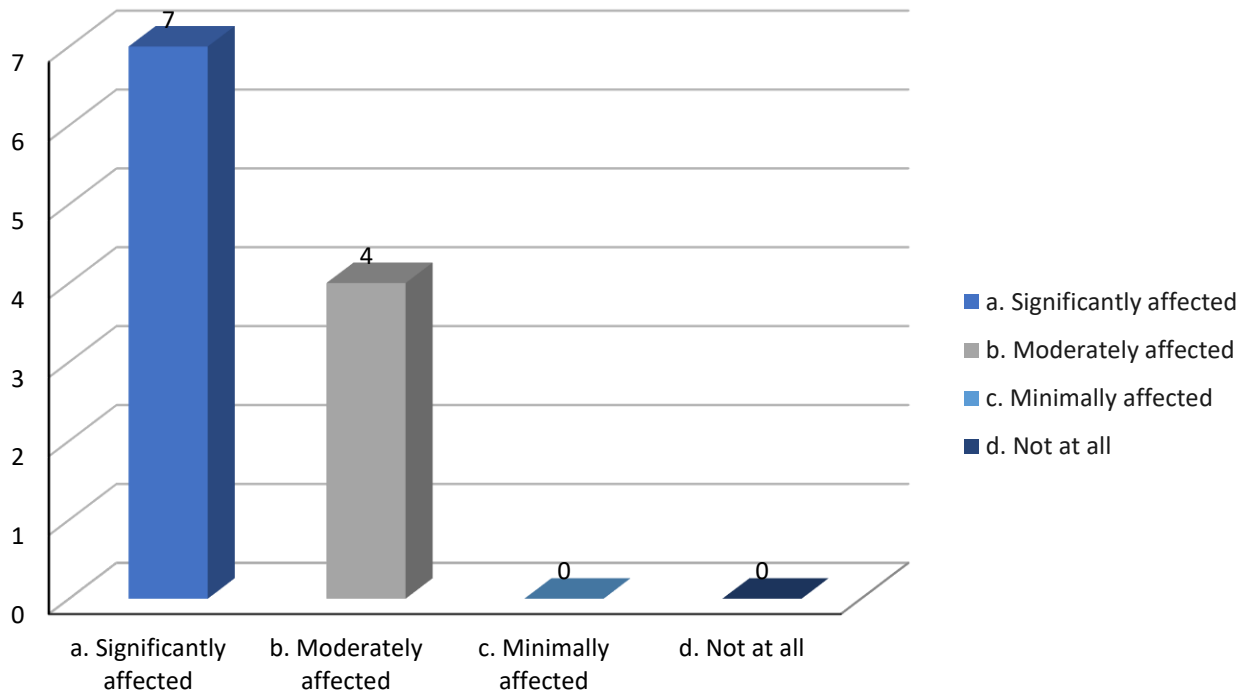


Figure 8: Did you receive funding from SIDA?



With SIDA's planned phase-out of development cooperation in Cambodia by 2024, the data shows **that 64% of the CSOs that have received SIDA funding anticipate their financial status will be significantly affected.** The remaining **36% expect a moderate impact on their financial status,** with no CSOs anticipating minimal or no impact.

Key Challenges

CSOs in Cambodia face **funding shortages and competition**, **with limited access to grant opportunities** and **challenges in securing operational funding**. The CSO Sustainability Index for Cambodia highlights lower funding in 2021 due to laws, impacting the ability of CSOs to carry out their work effectively.

"There are many NGOs with high competitions so that why small local NGOs always failed or closed offices."

In addition, CSOs struggle with capacity building, operational funding, and identifying individual/corporate funders. Many local NGOs **lack skilled fundraisers and the capacity to write competitive proposals compared to larger INGOs.**

This makes it difficult to secure funding from international donors. **Local NGOs often lack the resources to hire consultants to design high-quality proposals** that meet international standards.

"There is no clear source of funding for 2025 and beyond, submission of proposals has not yet received funding, lack of project writing experts."

Recommendation



1. Diversify Funding Sources

Encourage CSOs to actively seek out and **secure funding from multiple sources**, such as international donors, private foundations, and domestic sources, to reduce reliance on a single donor.

Provide **training and support to CSOs on fundraising strategies, proposal writing, and donor relationship management** to help them diversify their funding streams.



2. Strengthen Financial Management Capacity

Invest in building the **financial management capacity** of CSOs through training, mentorship, and the provision of tools and resources.

Encourage **CSOs to develop long-term financial strategies**, including reserve funds and contingency plans, to ensure their sustainability in the face of funding uncertainties.

Recommendation

Advocate

Advocate for an Enabling Environment

- Work with the government to create **an enabling environment for CSOs, including policies and regulations that support their work and access to funding.**
- Engage in advocacy efforts to promote the importance of civil society and the need for sustainable funding for CSOs.

Enhance

Enhance Collaboration and Networking

- Facilitate **networking and collaboration** among CSOs to share **best practices, resources, and funding opportunities.**
- Encourage CSOs to form **coalitions and partnerships** to jointly advocate for funding and policy changes.

Explore

Explore Alternative Funding Models

- Encourage CSOs to explore alternative funding models, such as **social enterprises, crowdfunding,** and **individual giving,** to diversify their revenue streams.
- Support the development of innovative financing mechanisms, such as **social impact bonds** and **blended finance,** to attract new sources of funding for CSOs.

Thank You



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