

RETHINKING SUSTAINABILITY:

WHY NGOS MUST GO BEYOND DONOR DEPENDENCE



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Nepal has nearly 59,000 NGOs registered with the Social Welfare Council. While most appear “active” on paper, only 15–20% consistently run programs year-round. Even more striking, 90–95% depend almost entirely on external grants, with fewer than 5% financially self-sustaining.

This heavy reliance on donor funding makes the sector fragile and reactive. Grants shift with global priorities and political changes, leaving organizations vulnerable to sudden instability. Too often, NGOs chase funding instead of pursuing long-term strategies, risking mission drift and weakened credibility.

BUSINESS DEVELOPMENT OFFERS A WAY FORWARD.

In the nonprofit context, it is not about profit-making or abandoning social values. It is about building partnerships, diversifying revenue streams, and strengthening sustainability. By exploring models such as social enterprises, fee-based expert services, implementation of CSR or strategic collaborations, NGOs can gain financial independence and design programs based on real community needs rather than donor only on agendas.

With stronger foundations, nonprofits can plan long-term, scale their work, and deepen their impact. Business development also encourages professionalism; strategic planning, branding, and data-driven decision-making. Far from diluting values, it protects them by ensuring impact is sustained over time.

The urgency is clear. As Nepal prepares to graduate from Least Developed Country status in 2026, international aid will inevitably decline. Without adaptation, many NGOs risk becoming inactive or irrelevant. Smaller organizations, in particular, must embrace business development to survive funding gaps and uncertainty. The exit of USAID from Nepal already served as a trailer of what lies ahead.

THE SHIFT BEGINS WITH LEADERSHIP.

Leaders must recognize that sustainability is inseparable from impact. Investing in skills such as partnership development and strategic thinking, and embedding business development into organizational strategy, is essential.

Because ultimately, a nonprofit that cannot sustain itself cannot sustain its impact.