

THE CHALLENGES AND PRACTICES OF NGO DRIVEN INCOME GENERATION ACTIVITIES IN KIRKOS SUB CITY

**A Research Project Submitted to Jimma University in Partial Fulfillment of
the Requirements for the Award of the Degree of Master of Project
Management and Finance**

By: Tebeje Nigussie



Advisors:

Main Advisor: Matewos Kebede (PhD)

Co-Advisor: Sintayehu Tulu

Jimma University

College of Business and Economics,

Department of Project Management

August, 2020, Addis Ababa

DECLARATION

I hereby declare that this research proposal entitled “the Challenges and Practices of NGO Driven Income Generation Activities: In the case of Kirkos Sub City, Addis Ababa”, has been carried out by me under the guidance and supervision of Matewos Kebede (PhD) and Sintayew Tulu.

The research proposal is original and has not been submitted for the award of any degree or diploma to any University or institutions.

Researcher’s Name

Date

Signature

Tebeje Nigussie

July 15/2020



CERTIFICATE OF DECLARATION

This is to certify that the research proposal entitled “the Challenges and Practices of NGO Driven Income Generation Activities: In the case of Kirkos Sub-City, Addis Ababa”, submitted to Jimma University for the award of the Degree of Project management and finance (MA) and is a research Project work carried out by Mr. Tebeje Nigussie, under our guidance and supervision.

Therefore, we hereby declare that no part of this thesis has been submitted to any other University or institutions for the award of any degree or diploma.

Main Adviser’s Name	Date	Signature
Co-Advisor’s Name	Date	Signature

Acknowledgement

This thesis wouldn't have been completed without the help of Almighty God and a great many people. Therefore, I heartily thank Almighty Father, God for His gracious provision of knowledge, wisdom, inspiration and diligence required for the completion of this paper and for bringing my dreams into reality. I am also greatly indebted to my main advisor Dr, Matewos Kebede for his enthusiasm, dedication, support and guidance throughout my research work. In addition, my Co-advisor Sintayehu Tulu was always open for discussion; a good listener, and an open to challenge. I really appreciate the invaluable advice that he has given me starting from the title choice up to the end of this paper.

Table of Contents

CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the study	1
1.2 Statement of the Problem	5
1.3 Basic research questions.....	7
1.4 Objectives of the study.....	7
1.5 Scope of the study.....	8
1.6 Significance of the study.....	8
1.7 Limitation of the study.....	9
1.8 Organization of the study.....	9
CHAPTER TWO	10
RELATED LITERATURE REVIEW	10
2.1 Theoretical Review	10
2.1.1 Concept on Income and Income Generating.....	10
2.1.2 Related Theories of Income Generating	13
2.1.3 Historical Overview NGOs around the World and in Ethiopia	17
2.1.4 Historical Overview NGOs in Ethiopia and their Classification	18
2.1.5 Practices of Income Generation by NGOs	20
2.1.6 Practice of Income Generation in Ethiopia.....	22
2.1.7 Policies and Practices of Income Generation in Ethiopia.....	23
2.1.8 Challenges of NGOs in Income Generation.....	25
2.1.9 Source Income of NGOs in Ethiopia	27
2.2 Empirical Review.....	28
CHAPTER THREE	33
RESEARCH DESIGN AND METHODOLOGY	33
3.1 Research Design.....	33
3.2 Research Approach.....	33
3.3 Data Type and Source	34
3.4 Target Population and Sample Size	34
3.5 Methods of Data Collection	34

3.6 Validity and Reliability	34
3.7 Method of Data Analysis	35
3.8 Ethical Issues	36
CHAPTER FOUR	37
DATA ANALYSIS AND DISCUSSION OF RESULTS	37
4.1 Reliability Analysis.....	37
4.2 Demographic Characteristics	37
4.3 Descriptive Statistics.....	40
4.3.1 Project Management-related Factors.....	41
4.3.2 Project-related Factors	42
4.3.3 NGO-related Factors	43
4.3.4 Input-related Factors	44
4.3.5 External-related Factors	45
4.3.6 Market-related Factors	46
4.3.7 Project Problem in Income Generation Activity Business.....	47
4.3.8 Chi-Square Result Analysis	51
4.4 Challenges of Income Generating Activities	51
CHAPTER FIVE	53
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION.....	53
5.1 Summary of Findings.....	53
5.2 Conclusion	55
5.3 Recommendation	56
REFERENCES	59

LIST OF ABBREVIATIONS AND ACRONYMS

CSOs	=	Charity society Organizations
CCRDA	=	Consortium of Christian Relief and Development association
CSA	=	Charity Society Agency
CSP	=	Charities and Societies Proclamation 621/2009
CSS	=	Civil Society Sector
EECRDC	=	Ethiopian Evangelical Church Relief and Development Commission
EMCDW	=	Ethiopia Mekana Eyesus Relife and Development welfare
IGA	=	Income Generation Activity
INGO	=	International Non-governmental Organizations
MDGs	=	Millennium Development Goals
MSIE	=	Meir top International Ethiopia
NGOs	=	Non-governmental Organizations
PCS	=	Project Counseling Service
SOT	=	Shire Operation Team
SGTP	=	Second Growth and Transformation Plan
TECS	=	Tracking Trends in Ethiopia's Civil Society
USAID	=	United States Agency for International Development vii
WB	=	World Bank

LIST OF TABLE

TABLE 4.1: SHOWS THE RESPONSE RATE OF QUESTIONNAIRE	37
TABLE 4.2: RELIABILITY TEST RESULT	35
TABLE 4.3: DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS.....	38
TABLE 4.4: GUIDELINE FOR INTERPRETING QUANTITATIVE DATA.....	40
TABLE 4.5: MEAN AND STANDARD DEVIATION OF PROJECT MANAGEMENT-RELATED FACTORS ...	41
TABLE 4.6: MEAN AND STANDARD DEVIATION OF PROJECT-RELATED FACTORS	42
TABLE 4.7: MEAN AND STANDARD DEVIATION OF NGO-RELATED FACTORS	43
TABLE 4.8: MEAN AND STANDARD DEVIATION OF INPUT-RELATED FACTORS.....	44
TABLE 4.9: MEAN AND STANDARD DEVIATION OF EXTERNAL-RELATED FACTORS.....	45
TABLE 4.10: MEAN AND STANDARD DEVIATION OF MARKET-RELATED FACTORS	46
TABLE4.11: MEAN AND STANDARD DEVIATION IN INCOME GENERATION ACTIVITIES	47
TABLE 4.12: CORRELATION BETWEEN FACTOR OF INCOME GENERATION ACTIVITIES	48
TABLE 4.13: COEFFICIENT OF REGRESSION MODEL FOR “INCOME GENERATION ACTIVITIES	49
TABLE 4.14: CHI-SQUARE RESULT ANALYSIS	51

CHAPTER ONE

INTRODUCTION

This chapter contains an introductory part of the entire study. It provides some insights about the ground and assumptions where the study is conducted. It states the background of the study, statement of the problem, basic research questions, objectives of the study, scope of the study, significance of the study, limitation of the study, and organizations of the study. Accordingly, it begins with the background of the study.

1.1 Background of the study

The rise of the NGOs in the global context is identified as an important phenomenon, which has implication for the development prospects of the poor (Islam & Sultana, 2005). Suharko (2007) contends that NGOs compared to the government have a comparative advantage in service provision. Riddel and Robison (1995), argue that NGOs need to be recognized in their ability to deliver emergency relief or development services at low cost to many people in remote areas; their rapid innovative and flexible responses to emerging financial and technical assistance needs at the grassroots level; their long-standing familiarity with social sector development and poverty alleviation; their experience with small-scale development projects as well as with those requiring a high degree of involvement by, and familiarity with, the concerned target groups.

Furthermore, NGOs seek to improve the people's access to services provided by the state. In countries where government lacks public services, NGOs play a significant role in the direct provision of social and economic development services (Suharko, 2007). As a result, NGOs emerge with the aim of facilitating the provision and utilization of different services that can help the clients to help themselves. NGOs are also creditable for their long endurance and engagement with the poor. From the beginning, NGOs were formed to respond to the various problems of the poor. The long engagement with the poor makes them to gain more experience and knowledge in dealing with complex and structural problems of poverty. Such experience and knowledge gained lead to the formulation and implementation of innovative strategies and approaches to poverty reduction (Smillie. Solinac and Lecomte, 2003). With the appreciation of the complicated nature of poverty and by large unsuccessful results of aid, multinational and bilateral agencies have lately given renewed promises to NGOs whose existence is legitimized by the presence of poverty (Guler, 2008).

Ethiopia is the most populous state in the Horn of Africa and one of the world's poorest countries with a real per capita GDP of US\$ 90. About 87% of its population live in rural areas and are dependent on agriculture; more than 56% live in absolute poverty; and 70% of the adult population is functionally illiterate and unskilled. One in every two adults cannot read or write and the situation is worse still in the rural areas and for young and adult women. Furthermore, children and youth living in rural areas have little access to education or skills training programmes, and the overall quality of education in rural areas is generally low due to poverty and limited investment and resources. In addition, the drop-out rate for children and youth leaving the education system after the primary school level is very high and many school leavers fail to acquire adequate literacy or vocational/livelihood skills (UNESCO, Institute of Lifelong Learning, 2009).

Pay delivering practices implies practices focused on making open entryways for systems to gainfully use locally available resources for develop less state penniless, progressively autonomous nuclear families and systems prepared to consider themselves. A compensation age development changes beginning with one affiliation and adventure then onto the following. Here, we have chosen to understand pay age practices as financial activity looked for after with the purpose of improving the living conditions of the endeavor an area (PCS, 2000). Compensation making practices focused on productively using locally open resources for the upside of the entire system (Mabugu and Nhemachena, 2013).

Advancement of pay age for NGOs could have a basic effect. Pay age can help NGO with filling association holes, handle highlight disappointments, offer potential to accumulate new money related, explicit and HR for movement, and to seed innovative new things and technique for serving and working unmistakably with down and out people. Improvement of „commercial“ occupations so as to back non-advantage NGO's can never again be excused. Along these lines, this assessment, which tends to a first exertion in Ethiopia, was pushed to comprehend the wonder, survey the supportive and game-plan issues going toward NGO's and controllers, and offer heading on a reasonable course forward (CCRDA, 2012).

Undertakings occupied with pay making works out, the strategy giving such capacity is stacked with catch backs, and puts conditions which are not warrantable. Appropriately, affiliations which have the excitement of participating in pay making works out (CSA, 2011). With the more

expansive in general movement motivation NGOs are seen as key accessories tolerating fundamental occupations. The endeavors of CSOs in the general democratization process, desperation decreasing, and progress of human right, fantastic association, responsibility alleviation and uncommon guide have been usually seen. In the perspective on essential culture affiliations have been generally observed as heads for restricting tyrant government, engaging an outstanding new development, decreasing the atomizing and agitating impacts of market powers, realizing political commitment and improving the quality and expansiveness of association (Ateng and Abazaami, 2016).

NGOs are non-advantage, intentional inhabitants' social events that are sifted through on close by, national and overall level. They may be of three sorts, Promotion NGOs that advance before governments or worldwide for the eagerness of social affairs who don't have either voice or access to do so themselves, operational NGOs, that give product and dares to down and out clients and crossbreed NGOs, which perform both of the past limits (Doh and Tegegn, 2003).

Of course, there is an affirmation that if the engaging condition is changed and more NGOs compensation age practices are developed and produce progressively noticeable advantages, there is furthermore a need to ensure that new risks don't rise. Key among these inevitable that pay age practices either speaks to a test to the NGO place key causing vital focused on the pay age practices or to the private zone (DAG, 2012).

Pay making practices is the gainful occupations of a bit of leeway for cash age give the open entryway for more significant compensations, increasingly unmistakable balance and strengthen ability to adjust to potential dazes. In any case, consistently pay making practices don't yield the ordinary improvemen89ot in pay. This can be for certain reasons it could start from inadequacy in adventure structure, frustrations in execution and dissatisfaction by beneficiaries to use the bit of leeway, or changes in outside condition. Fundamental issue s consolidates: low expenses, got from selling of things, displaying issues that are experienced are not unavoidable and can be avoided if careful orchestrating and assessment is done before the structure just as use (Alcoholic, 2011). A compensation making development changes starting with one affiliation and adventure then onto the next.

Inside the more broad overall improvement plan, NGO's have been recognized as key accomplices accepting essential employments. The undertakings of CSOs in the overall democratization process, desperation diminishing, and progress of human rights, extraordinary organization, commitment easing and incredible guide have been commonly perceived. In the point of view on Common Society Associations have been widely seen as authorities for confining despot government, connecting with a notable turn of events, decreasing the atomizing and increasing effects of market powers, actualizing political obligation and improving the quality and thoroughness of organization (Ateng and Abazaami, 2016).

As showed by Hailegebriel (2014), Ethiopian NGOs are unnecessarily reliant on outside sponsoring. The latter is their life line, so to speak. Significant number of NGOs search for holds even to the burden of their definitive explanation or beneficiaries they assurance to serve due to resource goals. NGOs are working under a particularly resource genuine condition. The challenges that errands encounters in partaking in pay age practices by NGOs working in the sub city attempts those inside and outside troubles. This shows the troubles on taking an interest in compensation age practices in Addis Ababa When all is said in done and Kirkos sub-city explicitly generally revolved around Approach practices, budgetary resources and financing goals of Activities and access to reserves. Assignment driven compensation making activities can be portrayed as standard blooms, when it set up shows positive results for brief periods yet legitimacy of those endeavors are still under focal issue marks.

Inside the more extensive worldwide improvement plan, NGO's have been distinguished as key partners assuming crucial jobs. The endeavors of CSOs in the worldwide democratization process, destitution decrease, and headway of human rights, great administration, obligation alleviation and great guide have been generally recognized. In the perspective on Civil Society Organizations have been extensively observed as specialists for restricting tyrant government, engaging a well-known development, lessening the atomizing and agitating impacts of market powers, implementing political responsibility and improving the quality and comprehensiveness of administration (Ateng and Abazaami, 2016).

1.2 Statement of the Problem

Like other countries in the world, issues including social and economic problem becomes a crucial problem in Ethiopia. Among other problems poverty turns out to be one of the most challenging conditions. The main reason for such problem is due to lack of adequate income. In relation to the above idea, Wolday (2004) pointed out that in Ethiopia, among other things; lack of finance is one of the fundamental problems impeding production, productivity and income of rural and urban families. Since access to institutional finance is very limited, the majority of vulnerable families obtain financial services through informal channels, such as money lenders, informal saving group, relatives and others.

NGOs providing different developmental activities in Addis Ababa. Despite the fact that Kirkos sub city is providing services in different ways in Ethiopia, there is lack of well researched study conducted to assess the contribution of Kirkos sub city in its specific program of IGA for the vulnerable families. As a consequence of this gap, this study is going to assess the contribution of Kirkos sub city in creating income for vulnerable families in Addis Ababa.

In Ethiopia NGO's depend upon external financing source to run their undertakings considering the way that the private zone is so delicate and not touchy as to become inward sponsoring hotspots for NGO's. Earlier examinations like Detectives and DAG (2013) were centered on progression part of NGO adventure, as of late there is a move from progress to pay age of the errand, fiscally through pay making works out.

Most NGOs are working in similar areas of intervention. There are redundant projects and duplication of efforts. It seems NGOs are not conducting base line survey and need assessment to address the local needs and the local problems. In some cases NGOs focus on areas that they could easily raise funds from their donors than conducting intervention project based on the local development priority. In fact, there are some local based NGOs that mobilize locally available resources and maintained their viability in the Addis Ababa and Kirkos Sub city.

For example, there is minimal participation in environmental protection. One of the pillars of sustainable development is environmental protection our country is planning and activating to promote green economy and conduct extensive environmental protection activities which requires the partnership of all concerned bodies. In cities like Addis Ababa, where the waste

disposal system is complicated and problematic, the health and the lives of dwellers is highly affected by different environmental factors. It requires the intervention of the governmental and non-governmental organizations.

The second problem is about networking and collaboration with one another and other partners. The partnerships of NGOs predominantly are with their donors. According to (Dessalegn, 2008), the collaboration and networking of NGOs with each other and with other development actors is very weak. This hinders NGOs contribution to the local development.

The third problem is related with common understanding on legal and policy issues. From charity organizations point of view there are different complaints that they direct against the government. The government devised proclamation 621/2009, as most NGOs complain about; the proclamation has many restrictions on their activities. Any charity or society shall allocate not less than 70 percent of the expenses in the budget year for the implementation of its purposes and an amount not exceeding 30 percent for its administrative activities. The government says some NGOs have a problem of complying with the laws and regulations of the country.

The issue of NGOs in Salary age can be exceptionally high; especially if the NGO's are included basically in raising money in rivalry with different associations for the help of the general population. Since private gift and open assortment have just end up being questionable wellsprings of pay. Then again there is an issue of NGO's are disarray business and good cause would twist market and private division is upper hand in light of the fact that a portion of the pay age movement are littler and separated of NGO's mission can't independently. Salary age exercises subsequently had all the earmarks of being the main legitimate other option, yet there is a worry that as new guidelines is upheld.

Unmistakably IGA's is a key idea for manageable food security. Pay age can assist with conquering food frailty when financial variables are a principal reason for food frailty and when food is accessible in nearby market however absence of cash is the primary trouble looked by the defenseless populace. An IGA is any movement that produces salary for the family; the exercises can incorporate agribusiness, domesticated animals rising, angling, post-collect preparing and administrations. Salary creating programs are coordinated towards a monetary center, and mean to increment the money accessible to the family, improve the nearby economy, and reinforce the

vocation systems with the goal that the populace is less helpless IGA can be bolstered through preparing, improving access to gainful resources and expanding deals channels. It is imperative to consider that small scale credit can be a way to improve the IGA of the powerless public, yet it's anything but an objective in itself. Alone it can't resolve the issues looked by poor people. Due to the existence of the above-perceived problems, this study empirically aimed to examine the challenges and practices of NGO driven income generation activities in Kirkos sub city. Moreover, this study aims to cover these gaps in government sector especially with Kirkos sub city and we hope to gain greater knowledge about the subject how the challenges and practices of NGO driven income generation activities.

1.3 Basic research questions

This study seeks to answer the following broad questions about the challenges and practices of NGO driven income generation activities in Kirkos sub city. The basic research questions that are to be address in this study are:

1. How does the project driven income generation activities.
2. How does income generating activities affect in the sub city.
3. What are the problems of the IGA targeted sub city?
4. What are the problems related to selection of IGA's based on market assessment?

1.4 Objectives of the study

This study has general and specific objectives

1.4.1 General objective of the study

The general objective of the study is to investigate the challenges and practices of NGO driven income generation activities in Kirkos sub city.

1.4.2 Specific objective of the study

In trying to evaluate the challenges and practices of NGO driven income generation activities in Kirkos sub city in Addis Ababa, this study would also specifically tries to address the following specific objectives:

1. To assess project driven income generation activities.
2. To determine income generating activities affect in the sub city.
3. To find out the problems of the IGA targeted sub city.
4. To examine the problems related to selection of IGA's based on market assessment.

1.5 Scope of the study

Subject Scope: Conceptually this study has focused on the challenges and practices of NGO driven income generation activities in Addis Ababa city. In this research, it is chosen to focus only on project management, project related factors, NGO-related factors, Input-related factors, external related factor, and market related factor as independent variables that affect the dependent variable of NGO driven income generation.

Geographical Scope: Geographically the study area has covered only the Kirkos sub city of Addis Ababa in which public commercial transportation services are given.

Methodological Scope: Methodologically this study used a quantitative research approach, and descriptive research design, and the sampling technique employed is census method was used.

Time Scope: This research has focused on a cross-sectional survey.

1.6 Significance of the study

- It can give basic information to the concerned bodies to recognize and vanquish preventions, which neutralize pay creating practices acted in Kirkos sub city. It would similarly engage wellspring of compensation providers to perceive potential wellsprings of pay making in their particular condition.
- The yield of this investigation would perceive the major issue looked by the NGO's when busy with pay age and consider potential answers for those issues. Specifically, to pay age promoters could use the revelations of this assessment to improve pay age support in all edges by NGO's. Further, this examination is being to deliver and add a few information to the present data on preparing of NGO's factors that have responsibilities for making their compensation and useful progression or undertaking.
- The finding of this investigation would offer information to different customers, for instance, game plan coordinators, academicians and the NGO's unhindered. Finally, various researchers may use this work as a spring board to make analyzes at the present time.

1.7 Limitation of the study

Limitation has to be limitation when it has impact on the study. Conceptually only six project management, project related factors, NGO-related factors, Input-related factors, external related factor, and market related factor are considered in this study. Other factor elements are not considered in this study. Methodologically out of the total of ten sub cities in Addis Ababa city, only Kirkos sub city is selected for this research purpose by excluding other sub cities and the result may not be representative to show the overall challenges and practices of NGO driven income generation activities.

1.8 Organization of the study

The research report organized with five chapters. Chapter one: it includes background of the study, statement of the problem, basic research questions, and objectives of the study, significance of the study, scope, operational definition, and limitations of the study. Chapter two: Includes review of relevant related literature. In this second chapter, theoretical and empirical foundations of the study were presented. Chapter three: encompass research design and methodology which includes research design, data type and sources, target population, sampling techniques and sample size, methods of data collection and gathering and data analysis methods. Chapter Four: In chapter four results and discussion of the study was presented in detail. Chapter Five: The last chapter presented the summary of findings, conclusions and recommendations of the study. The summary of findings was made based on the results under chapter four. The conclusions drawn from the summary of findings with practical recommendations at the end.

CHAPTER TWO

RELATED LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Concept on NGO, Income and Income Generating

World Association of Non-Governmental Organizations defines a non-governmental organization (NGO) as it is considered to be a non-state, nonprofit, voluntary organization. NGO is generally independent from government influence and either not established by a government or intergovernmental agreement or, if established in such a manner, is not independent of government influence (WANGO, 2010). World Bank (1995) defines Non-Governmental Organizations as private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development. In another dimension Liebenberg (2000) refers NGOs to autonomous, privately set up, nonprofit-making institutions that support, manage or facilitate development action by providing socio-economic activities to the needy. NGOs can be either local or international. Local NGOs are the one that operate in one country while international NGOs operate in two or more countries. For the purpose of this study, NGOs was taken to refer to registered, independent, non-profit organizations that facilitate development to needy communities.

As income is defined as the output of activities it measures both cash and in-kind contributions. All the goods and services produced in activities are valued at market producer prices regardless of their use. So, all own-farm products are valued at the same price as if they were sold. Better endowed institutions (mostly faith-based organizations, foreign charities, etc.), which provide educational and health services for fees and ethnic development associations are relatively active in income generation (Ellis, 2000).

Income generating activities takes many forms. Originally, it was a term used only by economists to explain the intricacies of a nation's economy. However, it is now quite widely used to cover a range of productive activities by people in the community. Income generating activities simply means those activities affecting the gaining or increasing of income by an individual person. There are three ways income can be generated.

Firstly, income generating activities does not always mean the immediate getting of money, although in the end we use money to place a measurable value on the goods and services people produce. An example of income generating activity which does not lead to getting money would be a situation where a productive person produces enough food to feed him or her and the family. Skills have been used to meet immediate needs and thus savings have been achieved. Money value can be placed on the food produced and so the food can be seen as an income (ACF International, 2009).

A second way a person can generate income is by astute investment of existing resources. An example would be development of a piece of land through planting a crop for sale. The money gained is income. An indirect form of investment is on bank savings or purchasing part of ownership (shares) in a productive enterprise such as a business. Money generated from such investments is income (ACF International, 2009).

A third way to generate income is for people to use their skills by serving another person who pays for the use of those skills. That is they earn wages. In summary, income can be generated by self-employment, by working for others or by adding to personal resources through investment (ACF International, 2009). According to United Nation Development Program report (1997), the limits of a welfare-oriented response to this growing crisis are now well recognized.

Alternatively, many development agencies and government are increasing their emphasis on assisting people's to secure income through their own efforts. Such approaches are often categorized as "income-generating activities" and cover initiatives as diverse as small business promotion; cooperative undertakings; job creation schemes; sewing circles; credit and savings groups; and youth training program. It is sometimes argued that, education and health provision; legal and political changes; and global economics all affect the abilities of people to secure an income. From this, stems the confusion in the use of the term income-generation.

Lantin (1997) argued that, income-generating activities are those initiatives that affect the economic aspects of people's lives through the use of economic tools such as credit. According to Revolving Loan Fund report (2002), income generating activities are „small-scale projects that create an income source to individual beneficiaries or beneficiary groups whilst promoting the principal right to self-determination and the objectives of integration, repatriation and re-

integration. Danish Refugee Council (2002) uses the notion of income generation relatively broadly and as a cover term for a wide variety of activities such as micro-credit; grants; skills- and vocational training; business training; cash or food for work (asset creation) schemes; local economic development initiatives; and even small- and medium enterprise development. In the strict sense of the term, income generation activities are aimed at creating a financial income. Income generating activities however, may also aim at positive effects in terms of empowerment, self-reliance and community development (Ison, 1996).

United National Development Program (1996) stated that, income generation activity relates to all activities that result in a return in cash or in kind. Moreover, Income Generating Activities can also refer to on-farm activities that result in a sale or barter; off-farm activities that involve a production skill that results in a product for sale or barter; non-timber forest products that are collected from forests and sold or bartered; processing activities which take an agricultural raw material, a forest product or a manufactured product and process it into an item that provides those involved with a value added income; fish gathering or farming for sale or barter; and service industries such as trading, hotels and restaurants (Ison,1996).

The emergence of income-generating strategies among NGOs has been conceived as an immediate response to the urgent call for financial sustainability to devise and implement resource mobilization and generation schemes that would augment the organization's resources and fill in the budget gap for any relevant expenditure items that the organization may incur. One of the potential sources of income-generation for financial sustainability, practiced in most organizations is fund-raising. Burlingame (1994) mentions the growing importance of fund raising in America which is evidenced by the increasing number of professional positions on resource mobilization staffs as well as development staffs in NGOs and government agencies that are devoted to fund-raising. The fund, which is a major fundraising vehicle for the organization, allows a donor to sponsor certain activities.

2.1.2 Related Theories of Income Generating

It describes a full range of influencing income generating. The model consists of four typologies of income generating: Resource-Based Theory, Resource Dependence Theory, Resource Mobilization Theory, and Legitimacy Theory.

2.1.2.1 Resource-Based Theory

The currently dominant view of business strategy resource-based theory or resource-based view (RBV) of firms is based on the concept of economic rent and the view of the company as a collection of capabilities. This theory is based on the argument that an organization strategy is founded upon the resources it has. It posits that the resources of an organization provide direction on the industrial boundaries of activities performed by the firm. It provides that the resources and the capabilities that has internally determines the type of long term strategy that was develop. Organizations are likely to perform better than its rivals in the industry if it has sufficient resources and higher capabilities that can place it ahead of its competitors (Grant, 1991).

Building on the RBV, Hoopes, Madsen and Walker (2003) suggest a more expansive discussion of sustained differences among firms and develop a broad theory of competitive heterogeneity. The RBV seems to assume what it seeks to explain. This dilutes its explanatory power. For example, one might argue that the RBV defines, rather than hypothesizes, that sustained performance differences are the result of variation in resources and capabilities across firms. The difference is subtle, but it frustrates understanding the Resource Based View's possible contributions (Hoopes, 2003).

The Resource Based View's lack of clarity regarding its core premise and its lack of any clear boundary impedes fruitful debate. Given the theory's lack of specificity, one can invoke the definition-based or hypothesis-based logic any time. Again, we argue that resources are but one potential source of competitive heterogeneity. Competitive heterogeneity can obtain for reasons other than sticky resources (or capabilities) (Hoopes, 2003). Competitive heterogeneity refers to enduring and systematic performance differences among close competitors.

Resources are eligible for legal protection (as such, firms can exercise property rights over them; Amit and Shoemakers, 1993), can operate independently of firm members and can intervene as factors in the production process to convert input into output that satisfies needs (Nyberg,

Moliterno, Hale, & Lepak, 2014). Income diversification strategy is derived from resource-based theory.

2.1.2.2 Resource Dependence Theory

Resource dependence theory discusses the importance of the actions taken by organizations in forming alliances like, mergers and acquisitions, joint ventures and striving to overcome dependencies and improve an organizational autonomy and legitimacy (Tachizawa, & Yew Wong, 2014). Resource dependence theory is derived fund raising strategy. This theory studies how the external resources of organizations or environmental factors affect the behavior of the organization. The theory therefore, assumes that organizations depend on resources, which ultimately originate from an organization's environment (Tachizawa, & Yew Wong, 2014).

To a considerable extent, the environment contains other organizations; the resources one organization needs are often in the hands of other organizations and hence legally independent organizations can depend on each other to acquire such resources. This is the main reason organizations form such alliances as mergers and acquisitions; joint ventures (Gillis, Combs, & Ketchen, 2014). Resource dependence theory has been under scrutiny in several review and meta-analytic studies: Hillman et al. (2009); Davis and Cobb (2010); Drees & Heugens (2013); Sharif & Yeoh (2014).

These indicate and discuss the importance of this theory in explaining the actions of organizations, by forming interlocks, alliances, joint ventures, and mergers and acquisitions, in striving to overcome dependencies and improve an organizational autonomy and legitimacy Harford (2005) noted, M&A can also partly be explained by technological, economic, and regulatory shocks to the economy. If the environment of a firm changes the rational manager is assumed to exist under, if for example, a new technology is introduced in the market that a given firm does not have access to, an M&A action between itself and another company with this technological expertise could create positive synergies.

Resource dependence theory concerns more than the external organizations that provide, distribute, finance, and compete with a firm. Though executive decisions have more individual weight than nonexecutive decisions, in aggregate the latter have greater organizational impact. The success of managers throughout the organization is tied to customer demand thus customers

are the ultimate resource on which companies depend. This theory therefore helped explain the fact that different organizations depend on one another for different kinds of resources that they may not have on their own (Gillis, Combs, & Ketchen, 2014).

2.1.2.3 Resource Mobilization Theory

According to resource mobilization theory, it is the NGO role to harnessing the disaffected energies, attracting money and supporters, capturing the media's attention, forging alliances with those in power, and creating an organizational structure (Edwards, & Gillham, 2013). This theory is derived from fund raising strategy. This theory recognizes that resources required by NGOs in the form of funds are the most important one. Without money as a resource NGOs cannot activate the other resources in the agency/community. In the market oriented economy like Kenya, it is the monetary resource that determines the expansion or contraction of other resources. Resource Mobilization theory assumes that without such resources, social movements cannot be effective and that dissent alone is not enough to engender any social change (Kendall, 2006).

Mobilization is the process of forming groups, crowds, associations, and organizations for the pursuit of collective goals (Eltantawy & Wiest, 2011). Organizations do not spontaneously emerge but they require the mobilization of resources. Resource mobilization is a sociological theory that forms part of the study of social movements and stresses the ability of movement's members to acquire resources and to mobilize people towards the furtherance of their goals (Eltantawy & Wiest, 2011).

In contrast to the traditional collective behavior paradigm that views social movements as deviant aberrations, resource mobilization-which emerged in the 1970s views social movements as formed by rational social institutions and social actors taking political action (Buechler, 1999). This theory is based on assumptions that individuals are rational. Also, it views social movements as a goal-oriented activity. Therefore, following rational choice theory, individuals are viewed as weighing the costs and benefits of movement participation and deciding to act only if benefits outweigh costs. When movement goals take the form of public goods, the free rider dilemma has to be taken into consideration. Organization is more important than acquisition of resources, or than resources themselves. Organization focuses on interactions between social movement organizations and other organizations (Bomberg & McEwen, 2012).

This hypothesis expresses that the pioneering model mixes financial matters and association hypothesis to represent aggregate activity. It contends that complaints are insufficient to prompt the production of a development, and rather that entrance to and command over assets is the most significant factor. This model expresses that the stream or assets from and towards the gathering can be best clarified by the laws of flexibility and request, and that individual or gathering contribution is represented by sound decision hypothesis (Kendall, 2006).

The political rendition of Asset activation hypothesis centers around the political battle rather than monetary components. Pundits have contended that it neglects to represent social change achieved by bunches with constrained assets and that it underestimates the job of complaints, character and culture just as numerous large scale sociological issues (Kendall, 2006).

2.1.2.4 Legitimacy Theory

Legitimacy theory is value system centered (Rogowski, 2015). A dichotomy exists between the value system of organizations and those of the society. Cost recovery legitimacy exists at the organizational level when there is congruence between organization and society value system. Legitimacy is important in enhancing accountability in operations of nongovernmental organizations. Legitimacy is crucial because the NGOs must declare to that they represent the poor people against poverty and other societal ills which are seen to have brought laxity in the government. Government and business leaders would like to know how NGOs were appointed to speak for the people and whether they represent the will of those they purport to represent (Songco, 2007). It is grounded in the perceptions of stakeholders in the larger environment in which the organization is embedded (Brown and Jagadanada, 2007).

It is about an organization fulfilling its social contract with the society. Legitimacy is the right to be and do something in society- a sense that an organization is lawful, admissible, and justified in its chosen course of action (Edwards, 2000). An NGO legitimacy could be official, democratic, or earned through value added (Rogowski, 2015). The variable cost recovery strategy is derived from legitimacy theory and it posits that increasingly the NGOs are expected to be self-financing with limited support and suppliers are expected to raise funds for on-going costs and to raise sufficient funds for major rehabilitation and extension works. An important factor in cost recovery is the setting of adequate standards of service. It has been shown that

consumers are willing to pay for good quality services and are prepared to pay increased costs for improved services in terms of quality and supply continuity.

Summary of theories

Activation is the way toward framing gatherings, groups, affiliations, and associations for the quest for aggregate objectives. Associations don't unexpectedly develop yet they require the activation of assets. Asset assembly is a sociological hypothesis that structures some portion of the investigation of social developments and stresses the capacity of development's individuals to get assets and to activate individuals towards the facilitation of their objectives.

As opposed to the conventional aggregate conduct worldview that sees social developments as degenerate abnormalities, asset assembly sees social developments as shaped by discerning social organizations and social on-screen characters making political move. This hypothesis depends on suppositions that people are normal. Additionally, it sees social developments as an objective situated action. In this way, following reasonable decision hypothesis, people are seen as gauging the expenses and advantages of development cooperation and choosing to act just if benefits exceed costs. At the point when development objectives appear as open merchandise, the free rider quandary must be contemplated. Association is a higher priority than procurement of assets, or than assets themselves. Association centers around connections between social development associations and different associations.

2.1.3 Historical Overview NGOs around the World and in Ethiopia

The history and origins of NGOs are diverse and can be traced back to a range of complex historical, cultural and political factors in different parts of the world. All NGOs operate within a contextual matrix derived from specific locational and historic circumstances that change over time. It was perceived failures of state-led development approaches throughout the 1970s and 1980s that fuelled interest in NGOs as a development alternative, offering innovative and people-centered approaches to service delivery, advocacy and empowerment (Hulme, 2012).

When an NGO gets into business it encounters opportunities and problems not faced by other business owners. For example, the “do-good” image of an NGO may help it find donors to fund startup costs, hire professional staff at below market salaries, obtain supplies and services at discount prices, use its network of supporters to promote the business, and get free publicity

from local media (Viravaidya and Hayssen, 2001). NGOs are entering into profit-oriented businesses such as printing, garments, private universities, consultancy services, marketing cellular phones, and trading in money and bond markets. Consequently, the ideological orientations and organizational practices of the NGOs have tended to converge with those in the market economy (Fernando and Heston, 2016).

2.1.4 Historical Overview NGOs in Ethiopia and their Classification

In their study on CSOs/NGOs in Ethiopia, Dessalegn, Akalewold and Yoseph (2008) explained two important aspects in the evolution of the voluntary sector in Ethiopia that have had an enduring impact on the sector: one was that until very recently the sector consisted of a small number of organizations, and the second that they have operated under difficult and sometimes tiring circumstances.

The Imperial and Derg regimes were unwilling to tolerate independent citizen activism and to allow autonomous non-state organizations. However despite their reluctance to accept NGOs in Ethiopia both regimes were forced by pressing circumstances, namely environmental disaster and human crisis, to allow NGOs to operate in the country. In the beginning most of these were Northern NGOs and faith-based local groups, all of which were expected to engage in activities which were considered “safe”, such as relief and rehabilitation work (Dessalegn Akalewold and Yoseph, 2008).

Furthermore, many scholars pointed out that the political space of the country has a lot to do in the NGOs sector development (Gidron, B, Quarles Van U.P& Bedri.K 2002; Spring & Groelsema, 2004). Both national and international NGOs began to appear around the 1960s, when neither the various self-help groups found in all levels of Ethiopian society nor the government was able to meet the growing demands of the population. Then, efforts of the emperor to “modernize” the national education system had resulted in a more widespread awareness that his government was failing to provide what people needed for advancement and development. John (2001) indicated that in 1989 there were about forty- seven operational NGOs in Ethiopia, most of which were international.

Since 1991 the change in the regime has brought about some progress in the government approach towards NGOs. The operational environment for civil society is believed to have improvement under the current regime (EEA, 2005). For the facilitation of the NGOs sector, the current government of Ethiopia has issued policy statement in 1995 and entitled 'the national policy on disaster prevention and management (NPDPM) that define NGOs and viewed as partners in development process. Since 1995 in accordance with national policy, Disaster Prevention and Preparedness Commission (DPPC) become the focal point in the coordination and monitoring of NGOs and the ministry of Justice is responsible for registration process. Because of different reasons like a relatively better policy environment, the increasing local socio-economic problems that the country is facing and in correlation to the international trends there is a booming of the NGOs sector in general. However, scholars argued that, although, the government has showed some progress still the less hostile environment has not been eradicated. The rules and regulations for the establishment and operation of NGOs are being continually revised and amended. Still civic advocacy organizations have greater difficulty in registration and fund mobilization than developmental and humanitarian NGOs and few of them are engaged in policy advocacy and lobbying issues. (Jeffers and Daniel, 2004 & Spring and Groelsema, 2004).

Civil Society Organizations are important social actors that can contribute to the overall development and democratization process of any society. These contributions become more significant in developing countries like Ethiopia, where abject poverty still dominates the livelihood of the people; democratic values and system of governance are yet in their infancy (OSE, 2007).

In Ethiopia, civil society as we know it today is a recent phenomenon. The earliest predecessors of civil society organizations in Ethiopia were traditional community-based organizations such as "Idir", the "Iqub" and other self-help organizations (Taye and Zewde, 2008).

When the Derg rather precipitously collapsed in 1991, civil society groups and NGOs emerging from the wreckage left behind were weak, disorganized, and without either significant resources or constituent bases. The pronounced emphasis on relief activities demonstrated by international and local NGOs as the national transition of 1991 began was nothing other than an accurate reflection of the dire circumstances of the country during the Derg era: recurring food

emergencies, involuntary displacement of large numbers of people, civil war, a totally dysfunctional economy, and massive starvation (Clark, 2000).

NGOs during the Derg regime of Mengistu Haile Mariam focused on relief operations and were largely foreign entities. Domestic NGOs in Ethiopia remain underdeveloped and somewhat misunderstood by the government, and the sector has been struggling for operating space and enhanced institutional capacity. After 1991, NGOs made remarkable progress in their number and diversity as well as in addressing the country's complex development agenda (USAID, 2010).

2.1.5 Practices of Income Generation by NGOs

External funding to NGOs in Georgia has been growing thinner every year and it will continue to decrease. Supported by the Development Program of the Czech Republic, the Social Entrepreneurship Development in Georgia and Armenia program responds to the omnipresent issue of long-term sustainability of civil society organizations in the region by targeting and developing the potential of local NGOs to generate their own resources through a wide array of business like actions and practices. NGOs should not and cannot sit and wait for someone to come and give them money to do what they set out to do whether it is providing social services, protecting the environment or advocating improving public policies (Katarina, 2014).

Income generation varies from one organization and project to another. Here, we have chosen to understand IGA as economic activity pursued with the aim of improving the living conditions of Project area. This may be the production of goods or services including commerce or a combination of both, in rural as well as urban areas. Activities will often be group-based, though this is far from always the case (Sonderriis and Zapata, 2000).

The growing contributions that NGOs make to global economies, increased competitions from government and for-profit organizations for revenue generating activities and increased competitions among NGOs themselves for grant funding and philanthropic donations pose a major risk to the financial structures of NGOs (Rhoden, 2014).

According to the Urban Institute's National Centre for Charitable Statistics reports, there were 1,478,194 NGOs in the United States in 2006 with annual revenues of US\$1.53Billion. The UK

on the other hand had over 169,000 general NGOs, generating a total income of £26billion, as reported by the National Council for Voluntary Organizations (Hyndman and McDonnell, 2009). NGO gets into business it encounters opportunities and problems not faced by other business owners NGO-owned businesses are inherently less professional and efficient than their Competitors, while private banks may be biased against lending to untested NGOs Laws governing NGOs vary from country to country. Some countries allow tax-exempt organizations to own for-profit Enterprises, other countries require that the for-profit enterprise be indirectly related to the principle work of the NGO; And in many developing countries, and laws concerning commercial earnings of NGOs may be unclear. Before starting any business venture, NGOs must first be clear about the legal ramifications of the business on their tax-exempt status. Cost allocation is another issue (Hayssen, 2001).

The for-profit activities of an NGO will share overhead and other costs with its non-profit activities. It is in the best interest of the NGO to allocate as much of these costs to its for-profit activities, so as to reduce the for-profits tax liability. But allocating costs to the for-profit operations however justified and in compliance with the law, may invite the unwanted scrutiny of tax authorities. In addition, when an NGO undertakes for-profit ventures, the financial records of the entire organization may be subject to public disclosure laws pertaining to business entities (Hayssen, 2001).

The capacity to innovate and implement income generating poverty reduction programmes is extremely limited in government. NGOs have a very important role to play in implementing, together with government, various income generating activities. Successful provision of support to income generation activities requires strong partnerships between government, NGOs, beneficiaries and the private sector. South Africa Institute for Entrepreneurship is important platforms for advancing knowledge and thought leadership on income generation activities (Mabugu, 2013).

NGOs increasingly find that grants and donations are inadequate to meet current program needs, much less to expand program activities. With so many worthy causes that address genuine needs competing for the attention and generosity of the public, even wealthy donors lack the resources needed to fund every worthwhile effort. Funding Meanwhile, NGOs face rising costs for staff and other program inputs, further straining their limited budgets (Hayssen, 2001).

The overwhelming majority of both international and local NGOs depend on external funding sources to run their programs. Government and donors play major roles in supporting NGOs programs, which usually has compromised the independence and effectiveness of NGOs (Hellinger, 1987). The NGOs who based their funding source on governments end up with negative bearing against the poor by failing to distance themselves and compromising their independence with the government (Weston, 1994).

According to the report by ACF international (2005), the general practice to be considered when initiating a program to promote IGA should include the following:

- ✓ Protection and strengthening of livelihoods. Interventions must not put the population, their resources or livelihood mechanisms in danger, creating dependency. As was mentioned in point, it is necessary to be aware of the potential negative impacts, weigh their importance compared to positive results expected.
- ✓ Sustainability. Even in cases in which the interventions are designed to be carried out within a short time period, it is essential to think of the long-term sustainable impact of the activity. The sustainability can be increased by involving the population from the initial assessment and identification phases and collaboration with other organizations and actors present in the zone. Support for local initiatives. The social viability and sustainability of the interventions will always be stronger if the IGA supported form part of local initiatives initiating from the beneficiary communities themselves.

2.1.6 Practice of Income Generation in Ethiopia

According to Batti (2014), income generation or Fundraising means that funds are elsewhere and approaches need to be explored to access the funds. Resource mobilization has additional two concepts; one is that non-financial resources are crucial and secondly some resources can be generated by the organization internally rather than sourced from others Sources for Funding or Resources.

The two sourcing of funds or resources are Conventional Individual philanthropy, Private foundations, corporate agencies, government and foreign development agencies and Non-Conventional Means Membership fees, businesses, income generating activities, Prizes/Awards; It is important for organizations to understand funding sources within categories that they have

not fully explored and design mechanisms of accessing them. There are three ways to mobilize resources as follows; accessing existing resources through private and public sources, generating new wealth and capitalizing on non-financial resources (Batti, 2014).

Ethiopian Charities and Societies to expand and enhance their source of income types and amounts some of performing generating their income are Donors’ Consortium, Public Shows, Volunteer Services, Fundraising Dinner, Donation Boxes and Newspaper Calls for Donations. The trend of NGOs towards engaging in income generating activities is a growing phenomenon worldwide, and part of a blurring of distinctions between public, private and civil society sectors. In Ethiopia both NGOs and government are increasingly engaged in income generation to support their operation (DAG, 2007).

2.1.7 Policies and Practices of Income Generation in Ethiopia

The independent and Non-Profit Service Centers are also NGOs by nature but have no direct engagement in developing certain projects whether social, economic, and environmental or any other. The Centers support and improve the NGOs activities by promoting public understanding of cooperation and development, and by helping NGOs succeed in raising funds and development projects cycle (Hailu,2003).

NGOs began evolving as influential actors at a time when developing countries were progressively implementing market-oriented economic reforms. In recent years, however, there is much evidence that the boundaries between the for-profit sector and the non-profit sector are becoming blurred. Successes of income-generation projects such as micro-credit programs depend on the competitiveness of the products in the market that they finance (Fernando and Heston, 2016).

The growing contributions that NGOs make to global economies, increased competitions from government and for-profit organizations for revenue generating activities and increased competitions among NGOs themselves for grant funding and philanthropic donations pose a major risk to the financial structures of NGOs (Rhoden, 2014). The independence of NGOs is whether they come under governmental influence. Individual governments do at times try to influence the NGO community in a particular field, by establishing NGOs that promote their policies and NGOs may find it very difficult to act independently and they may not receive

acknowledgment from other political actors even when they are acting independently (Willetts, 2016).

NGOs have been converting their activities into small-scale banks with the object of providing a fuller range of financial services to their clients, as well as increasing the share of local savings in their on-lending portfolio. In Ethiopia, the policy environment was altered by Proclamation (Coyle, 2001).

According to Belshaw (2001) In Ethiopia, the policy environment was altered by Proclamation No. 40 of 1996. This prohibited NGOs from engaging directly in micro-finance activity; the objective is to encourage locally owned business companies, cooperatives or parastatal to undertake this activity rather than allowing NGOs to monopolies it. This objective is understandable, although the interests of private business firms, on the one hand, and poor loanees and depositors on the other, may diverge more widely than when NGOs were involved. There is a strong evidence of weakness among NGOs in generating income from within for the purpose of financing their programs. Primarily, the number of NGOs engaged in Income Generating Activities is insignificant. Secondly, only few have been successful in undertaking IGA.

As one study indicated, while “many experienced NGOs claim that their IGAs have not been profitable and that they have been encountering multiple challenges despite their access to foreign funds, one could imagine how difficult it could be for many newly formed Ethiopian charities and societies” (Deko, 2012).

NGOs to engage in income generating activities, the provision providing such entitlement is full of claw-backs, and puts conditions which are not warrantable. Accordingly, organizations which have the interest of engaging in income generating activities must get permission from the charity society agency, the activity should be incidental to the achievement of their purposes, just like any other business organization they are subject to the requirements and Procedures of any other laws concerning the registration and licensing requirements for activities related to trade, investment or any profit making activities.

2.1.8 Challenges of NGOs in Income Generation

Financial constraints lead many NGOs to work in areas outside of their missions. As a result of financial constraints and a lack of funding for long-term projects, the majority of CSOs do not have long-term strategic plans. (Sontag-Padilla et al, 2008) World's NGOs, most share a common dilemma. Lack of funds limits the quantity and/ or quality of the important work they do. Unlimited needs chasing limited resources are a fundamental fact of economic life in rich countries and in poor countries (Viravaidya and Hayssen, 2001).

Financial sustainability of microcredit operations has led to shrinking dependence on external assistance for the typical NGO. While the volume of external assistance to NGOs has grown in absolute terms over the past decade, the relative importance of donor resources has declined as microcredit interest income has grown rapidly (WB, 2006). As income is defined as the output of activities it measures both cash and in-kind contributions. All the goods and services produced in activities are valued at market producer prices regardless of their use. So, all own-farm products are valued at the same price as if they were sold (Ellis, 2000).

Better endowed institutions (mostly faith-based organizations, foreign charities, etc.), which provide educational and health services for fees and ethnic development associations are relatively active in income generation. However, the now highly regulated NGOs are experiencing a variety of constraints discussed later in detail. Many charities and societies are encountering formidable challenges in launching and sustaining IGAs for financial, manpower, infrastructural, technical, and regulatory reasons (Deko, 2012).

The regulations are generally grounded in a sound rationale that seeks to ensure that IGA does not undermine the core operations of NGOs and that they do not compete with the private sector. However, some aspects of the regulations pose unintended and formidable challenges for NGOs (TECS, 2012). All private companies face pressure to be good corporate citizens. For NGOs this pressure is particularly strong, and rightly so. NGOs must make special efforts to be socially responsible in their business affairs. They must offer good wages and benefits, ensure worker safety and protect the environment, etc. There are clearly different perspectives on sustainability and what it means in practice. Any analysis of sustainability needs to acknowledge the diversity of these perspectives, but also the way that they complement each other and should not be

viewed in isolation. For some, sustainability is concerned with financial viability or long-term economic growth (Viravaidya and Hayssen, 2001).

A small number of development NGO's generate a proportion of their income from enterprises or commercial ventures that they own and run (Hailey, 2014). The existing financial resources for the project implementation can be used to fund the main part of the activities, such as the necessary productive goods, the continual transfer of money or goods can lead to the creation of dependency. The promotion and support of income generation activity should include consideration of possible distinct methods for the financing of the goods and materials required for the activities as well as the services needed for the continued development of the income generation activity (FSLs, 2009).

The uncertain continuity of donor funding, forces an NGO to live a project to project existence, which makes it difficult to design and expand project activities to improve the quality of services. However the common mistake that local NGO's make is to become over dependent on a single source of funding. When that source reduces or dries up the organization struggles to generate new funding when it is too late, hence programs are compromised or terminated. Therefore, the task facing NGO's currently and in the future is and will be to explore additional mechanisms to boost financial stability without sacrificing the mission of their organizations (Batti, 2014).

As it was mentioned above they have been promoting NGO's for challenging their resources and getting of the initial investment for operating IGAs. Consequently, recent days much more NGOs are coming up to development arenas and the development fund channeled through these institutions has shown progress. Today in the eyes of many donors and recipients, and even many democratic theorists, the idea that NGO's is always a positive force for democracy and development. The great majority of NGO's, both large and small, depend on the gift economy to maintain their work. They are financed by a range of gifts and voluntary donations. Such gift-based funding strategies, if successful and embedded in the work of the organization, can be effective and sustainable in terms of ensuring predictable unrestricted income (Hailey, 2014). NGO's are operating under a highly resource competitive environment. The challenges that

NGO's encounter in engaging in income generation activity by NGO's operating in the sub city efforts those challenge are external and internal challenges.

Changing numerous on occasion NGO's face transcription of needs from contributors henceforth associations move center or are not qualified to apply for the assets as they are not meeting the giver needs (Parks, 2008). Noticed that a NGO confronted shortages when the major two-sided benefactors were moving needs towards financial turn of events and others outside the customary extent of the association. Contributor's inclinations have kept on changing and they have gotten progressively specific. One notes that various givers apply various conditions on help, for instance indicate ventures that can be bolstered inside their financial plan, working in association or joint effort with others, geographic spread, segment and an appropriately established association (IRIN, 2011).

Government policies and political climate increase bureaucratic red tape for NGO's mobilizing resources externally. Where there is political instability donors will either not release funds or they reduce or enforce stringent measures. In the Same Sector Duplication of resources is seen in the activities of some NGO's. For example where there are about ten or more NGO's within the same geographical area and all offer the same services at the expense of other areas that require equal attention. This raises competition among the NGO's instead of cooperation and unfortunately at times these are not the areas where the donors what to focus on (Kapyepye, 2013). There is significant capacity limitation among indigenous NGO's in terms of human resource and due to having insufficient staff then to pursuing appropriate funding or resources remains elusive to many (Batti, 2014).

2.1.9 Source Income of NGOs in Ethiopia

According to ChSA Law (2011), there are three types of sources of Finance. These are resources generated by one's own effort, by others' effort and non-financial resources. However, in determining the source of the income of the organization, it should take into account different factors. A source which is acceptable to one organization may not work for another organization. Therefore, the organization has to examine whether a given resource is compatible with its objectives and values as well as the legality of the resource. Some of the major resources: Membership fee, Donors' fund, Earned income, e.g., sales, tenders, Community, e.g., by organizing public events Investment and Careful utilization of finance.

2.2 Empirical Review

Cost recovery is widely recognized as an important component in sustainable community projects and it is only one of a number of conditions that must be present in order to guarantee the continuation of benefits intended by community water projects. Yet, it is an aspect that continues to draw an inordinate amount of attention, in developing countries and elsewhere, because of the swift impact that failed cost recovery can have on service provision and community development (Hilary, 1999).

Cannon (1999) stated that: “The process of moving an organization towards greater financial sustainability is not is easy, there are no magic solutions and it takes hard work which will not bear fruit overnight. But continuing to depend on foreign donors is not an alternative.” Self - financing activities, also referred to as “Earned income” or “non-profit enterprise”, are a number of “entrepreneurial” strategies for cost recovery or surplus revenue generation to create Nongovernmental own new resources to support programmatic or operational expenses.

To do this Non-governmental must have accountability mechanisms and strong governance, clear strategies and local credibility. There has been high dependency on donors and tendency to shift interventions to match donor priorities. Nongovernmental organization must be concerned with aspects of sustainability like; enduring impact, the continuity of resources and viability of the organization. Sustainability within each category requires insightful agility; overall sustainability depends on creating a virtuous spiral linking the three categories in a positively reinforcing way (Viswahanath, 2000).

According to Viravaidya and Hayssen, (2001) is for the NGO to make money through commercial ventures. A sustainable approach to NGO’s financing is one that avoids dependency on any one source of revenue whether external or internal. It consists of diversifying sources of income and thus minimizing dependency on any single sources. A balance between externally and internally generated income is necessary for an organization to meet its operating and administrative expenses while maintaining the freedom to determine its programmatic priorities and projects irrespective of donors preference.

Viravaidya and Hayssen (2001) noted that NGO’s can obtain funds to run their programs from three sources; Interested third parties, who give to the NGO primarily, for the personal satisfaction derived from doing good (grants and donations); then the beneficiaries of the NGO’s

programs, who value their participation more than the cost of participating (cost recovery) and three the unrelated third parties, who will pay the NGO in return for something of value that the NGO can make or do for them (commercial ventures).

Viravaidya and Hayssen (2001) further noted that most NGO's in Africa remain heavily dependent on external financial assistance from foreign donors. They argued that international support constitutes the single largest source of NGO funding in the region. This presents several problems to the NGO's. First, the level of international funding is unstable.

Viravaidya and Hayssen (2001) have urged that the key to financial security is diversification, which is, holding a mixed portfolio of investments rather than depending on a single investment to meet current and future income needs. This cardinal rule of investing also holds true for NGO's that need a secure flow of income to meet current and future program needs.

Nongovernmental organizations with assets can use them to generate income which may be used as they can determine. They consider providing consultancy, renting building and offering training, trading on their name or with locally made products. Killicks (2001) noted that the participatory element embodied in the development strategy of NGO's might not always enhance the economic benefit of women beneficiaries of an economic development program. Accountability of the organization is required towards their members to increase the economic benefit.

The Human Development Report (2003) indicates that cost-recovery principles which stresses on governance, as the gaps in institutional and administrative capacity in many governments are wide, translating into less efficient planning and budgeting for the water sector. According to the Report, in order to reduce the gaps in service provision, cost recovery should and does play a critical role.

Mulroy (2003) noted that NGOs can obtain funds to run their programs through three channels that is: - Interest third parties, who give to the NGOs in return, primarily for the personal satisfaction from doing good that is grants and donations; Beneficiaries of the NGO's programs,

those who value their participation more than the cost (cost recovery); and Unrelated third parties those who will pay the NGO in return for objects of value that can make or do for them (commercial ventures). Forms of grants and donations are categorized as “External” funding sources, while cost recovery methods and commercial ventures are categorized as “internal” funding sources.

Atrill and McLaney (2008) urged that when considering the various sources of finance it is useful to distinguish between internal and external sources of finance. Internal sources are the sources that do not require agreement of anyone beyond the management. Internal sources are flexible and need not compliance of other parties.

Previous studies have shown that due to changes in the funding climate and the financial challenges confronting many NGOs during turbulent economic times, they have begun to consider formalized collaborations as a way to respond to the changing resource environment and minimize competition for funding sources (Renz, 2010). This is occurring as nonprofit leaders are seeking each other out to explore potential partnerships, and also through funders themselves that are trying to maximize impact with limited resources (Renz, 2010).

Fund raising refers to requesting donations from those individuals, corporations, or agencies willing to make contributions in support of the institutional development of the organization. These donations help the organization to increase its income generation capacity whether by hiring new staff, acquiring computer systems or the initial investment necessary to implement an income-generation project. Fund raising also refers to increasing equity, whether by building infrastructure or building up an endowment fund and contributing unrestricted funds without conditions placed on their use for a specific time period usually from one to three years. NGOs should develop a coherent fundraising plan to address the challenges and best promote the mission of the organization is imperative. A strategic fundraising plan provides an opportunity to examine what is working well, and where there are opportunities for improvement these encourages nonprofits to set specific goals, and motivates them to make a commitment to focus on the big picture. Developing the fundraising plan should be integrated into other planning efforts, such as strategic and program planning, and budgeting (Bray, 2010).

Cost Recovery is a means to recuperate all or a percentage of the costs to deliver a nonprofit service or fund a discrete activity related to the organization's mission (Hampson, Cleaveland, & Briggs, 2011). For example Special events, conference fees, paid training and fee-for-service. Cost recovery activities are linked to programs; once a program ends, the related cost recovery activities are terminated. Earned Income provides a stream of unrestricted revenue to the organization, generated through activities both related and unrelated to the mission. For examples Membership dues, sales of publications and products, and consulting services. Earned income activities may progress into social enterprises when implementation is accompanied by a business plan because they are rooted in operations.

Kissinger (2011) asserted that diversification is correlated with sustainability because if one aspect of a strategy fails, another can succeed. Norman (2011) also urged that rather than rely primarily on a single source of funds organizations must piece together capital from multiple sources a method Norman termed as layered financing.

Similarly, Guush Berhane et al (2012) analyzed the impact of productive safety nets program on food security and coping mechanisms in Ethiopia using the same approach. The result of their analysis revealed that as access to extension services increased food security by 1.53 months.

Empirical work done in Ethiopia by Ayalneh Bogale (2012) on the impact of Productive Safety Net Financed Livestock Credit on Food Security and Poverty Status of Rural Households indicated that: the effect of providing credit for all non-credit users equivalent to the average amount to users (as case-1) and doubling the amount of credit initially provided only for credit users (as case-2) were analyzed in simulation.

Abdirizak (2013) observed that NGO self-financing is relatively unknown in the NGO community. More attention needs to focus on how best to promote this revenue-generating alternative among NGOs in Africa and how to evaluate its overall effectiveness as a self-sustaining strategy.

Studies have suggested that the following tasks in developing a fundraising plan: “Determine a reasonable money goal to work toward, evaluate your organization's greatest fundraising assets (Ibid), create a strategy that uses these assets to most effectively reach potential funding sources

and Write down the strategy in a short, easy-to-understand document to keep everyone on plan (Alfirević, Pavičić& NajevČačija, 2013).

Wole Wakjira (2013) stated that: in his work on assessing the impact of agricultural market improvement intervention on the livelihoods of rural farmers in Ethiopia, he has used PSM as impact evaluation tool and he also mentioned some of the related works done on this area elsewhere.

In Ethiopia few empirical studies are available with regards to the application of PSM in order to evaluate development programs. One of such recent studies is the impact of participation in the Extension Program on household income, investment and income diversification conducted by G/ Egziabhe (2013) in the northern part of the country. The study found that the extension program had increased income of the participating households with about 10 %. Moreover, the program had a large positive impact on investment and income diversification as well.

Non-governmental organizations find accessing donors as challenging as dealing with funding conditions. Green, & Haines, (2015) noted that they experience difficulty in finding sufficient, appropriate and continuous funding for work. They perceive that certain cartels of individuals and other Nongovernmental organization control access to donor funds. They have limited resource mobilization skills and are often not looking for funds that are locally available, preferring international donors to approach them (Green, & Haines, 2015). Local resource mobilization provides potential for Nongovernmental organizations to raise funds from individuals, Local businesses, government and locally generated income.

Business activities generate income for Nongovernmental organizations through rent on factors of production, and the skillful combination of these factors in income generation programmes. The idea of dabbling in business speculation and risk taking with an eye on profit making appears to be anathema to Nongovernmental organizations (Green and Haines, 2015). Many do not have skills to do any kind of business that is why they are in Nongovernmental organizations sector. Time has come for NGO community to consider going to the public to raise funds for their work. If they are to concentrate on what they do best that is social work, the marketing and fundraising become boundary management activities, which are of utmost importance, and yet

should not demand too much time from NGO leaders, who frequently may not have best skills and attitudes for such work (Green and Haines, 2015).

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter discusses the processes and techniques used in carrying out the study. It also gives a description of the respondents including information on the study population, the number of respondents and how they are selected. It also provides an outline of research design and the instruments for data collection. The methods adopted in the administration of the research instrument, data collection procedure, data analysis and measures used to ensure validity of the instrument was used.

3.1 Research Design

According to (Creswell, 2003) descriptive survey method is appropriate for collecting adequate information on attitudes, opinions and views of response. Besides, it focuses on investigating issues, practices and problems of the target employees. Thus, in this study descriptive survey methods supported by quantitative study were employed and some procedures of data collection and analysis had also been used. The findings have been briefly described and discussed with major emphases to the purpose, procedure, problems encountered so far and solution sought as major point of focus.

3.2 Research Approach

The choice of a research approach is determined by a combination of many factors such as the research problem, objectives of the study, resource availability and personal experiences of the researcher (Creswell, 2009). Accordingly, this research was used quantitative research approach. Hence, considering the research problem and objective, the quantitative research approach is primarily was used.

3.3 Data Type and Source

The principal sources of data for the research was primary data source (NGO administrators and Owners of IGAs). One of the primary source tools i.e. the questionnaire. The questionnaire is designed, developed and utilized by the student researcher based on the information from different articles, journals, and published books. The questionnaire was used to collect data from every individual respondent.

3.4 Target Population and Sample Size

Target population is defined as the entire aggregation of respondents that meet the designated set of criteria (Kothari, 2004). The population, also called the universe, is the set of people or entities to which findings are to be generalized and the population must be defined explicitly before a sample is taken (Garson. 2012). All personnel are taken to constitute the study population. Due to the very small number of the target population, which is 100 in number, the entire population is taken for the study, i.e. to conduct census survey, rather than sampling from the population. This is based on the suggestion that if the target population is smaller (e.g. 100 or less) census survey is most appropriate and effective methodology to achieve a desirable level of precision (Israel, 2013).

3.5 Methods of Data Collection

A survey questionnaire is adopted (close ended questionnaire) to obtain primary data that enables the student researcher to measure the relevant constructs in a quantitative manner using factual procedures to investigate the respondents' degree of understanding or contradiction in the contrasts between the factors utilized in the examination and the questionnaire uses a five-point Likert scale to measure the variables employed to obtain quantitative data. The survey was conducted using self-administrated questionnaires in the Kirkos sub city.

3.6 Validity and Reliability

To affirm the dependability of the instruments. The Cronbach Alpha procedure was applied to evaluate unwavering quality of the estimation scales utilized in the investigation.

Table 3.1: Rule of Thumb Cronbach's Alpha

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good

$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Source: Cortina (1993)

4.2 Reliability Analysis

The reliability of scale shows that how free the data is from random error. Therefore, it is always advisable to select that scale that is reliable. One of the most commonly used scales of reliability is internal consistency. Internal consistency refers to “the degree to which the items that make up the scales are all measuring the same underlying attributes (i.e. the extent to which the items “hang together”) Christopher, 2015). The Cronbach Alpha technique was applied to assess reliability of the measurement scales used in the study.

Table 3.1: Reliability Test Result

Variables	Cronbach’s Alpha Result
Project Management-related Factors	.892
Project-related factors	.855
NGO-related factors	.898
Input-related Factors	.956
Market-related Factors	.702
External-related Factors	.820

Source: Computed from the Questionnaire, 2020”

As can be seen in Table 3.2, the variables scored from excellent to good alphas input related factors has a high reliability compared to other variables with $\alpha = .956$, and this shows that Cronbach Alpha lays where $\alpha \geq 0.8$, so it has excellent reliability, NGO-related factors also has a good reliability with $\alpha = 0.898$, followed by project management related factors with $\alpha = 0.892$ indicating that project management related factors has a good reliability, project related factors has a good reliability with $\alpha = 0.855$, external related factors with $\alpha = 0.820$, and market related factors with $\alpha = 0.820$. According to Cronbach (1951), a Cronbach Alpha of 0.70 is an acceptable level; this means that there is internal consistency in the items considered.

3.7 Method of Data Analysis

First, descriptive statistics of the variable was calculated in line with Malhotra (2007), which states that using descriptive statistics method helps the researcher in picturing the existing situation and allows relevant information. In the descriptive analysis percentage, mean and standard deviation was used the study. Frequency tables was used to summarize the respondents profile in the form of frequency and percentages whereas the descriptive statistics such as mean and standard deviations of respondent's answers to income generating factors scales was calculated in order to determine respondent's perceptions of the challenges and practices of NGO driven income generation activities.

3.8 Ethical Issues

This study governed by the general rules of research ethics in such a way that respondents was requested to provide information on voluntary basis, there was a prior communication about the purpose of the study. Any confidential information of the organization or the respondents is not disclosed since the main intention is to gather data for the research purpose. Moreover, I at my best level tried to abide by the rules and regulations of the University and conduct the study on the basis of objective judgment.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

This chapter presents, analyzes and interprets the data collected and relate them to the theory discussed in the Second Chapter of this thesis. At the same time, the data is analyzed in relation with the research questions raised in Chapter One. The main concern of the presentation and analysis of data in line with the objective of the study are directly related to the challenges and practices of NGO driven income generation activities in Kirkos sub city. The data, as has been discussed in the preceding chapter, were gathered from primary source through self-administered/close ended questionnaire filled out by respondents of Kirkos Sub-City, Addis Ababa.

In this chapter, the data collected from respondents has been analyzed and interpreted. A structured questionnaire was distributed to 96 respondents. Out of these, 84 questionnaires were collected and usable, that is 87.5% response rate. The analysis had the objective of measuring the assess the challenges and practices of NGO driven income generation activities in Kirkos sub city. Finally, in order to proceed with the analysis the reliability of the concept was tested.

Table 4.2: Shows the Response Rate of Questionnaire

Questionnaire Returned	Target Number of Respondents	Response Rate (%)
84	96	87.5

Source: Computed from the Questionnaire, 2020”

4.1 Demographic Characteristics

In this section, the basic information of the respondents is explored. Table 4.3 below is about the demographic characteristics of the respondents. This information is presented in order to make the reader understand the size of population taken, the age, gender, education level and position, initiation of the business of respondents.

Table 4.2: Demographic characteristics of respondents

	Description	Frequency	Percent
Gender of respondents	Male	64	76
	Female	20	24
	Total	84	100.0
Age of respondents	20-29 years	10	12
	30-39 years	28	33
	40-49 years	36	43
	Above 50 years	10	12
	Total	84	100.0
Position in the firm	SME	12	12
	NGO	24	29
	Government	39	46
	Regulatory	9	11
	Total	84	100.0
Level of education	Up to 12 grade	10	12
	Diploma	31	37
	Degree	43	51
	Masters and above	-	-
	Total	84	100.0
Who initiate the business	Self-initiated	4	11
	Gov. driven	34	19
	NGO driven	46	41
	Total	84	100
Been involved in IGA	Less than 5 years	34	41
	Between 5 to 10	21	25
	Between 10-15	19	23
	Between 15-20	10	11
	Above 20 years	-	-
	Total	84	100

Source: Computed from the Questionnaire, 2020”

In table 4.2, the Gender specification of the respondents is presented. Percentage of the male respondents was 76% and female respondents was 24%. This shows that the number of male respondents are more than female respondents. Therefore, this distribution justifies that there is significant difference between male and female number of respondents.

As far as age of respondents is concerned, 43% of the respondents are in the range of 40-49 years, 33% of the respondents are in the range of 30-39 years, 12% are in the range of 20-29 years, 12% are above 50 years. This shows that most of the respondents are in the range of 40-49 years and are adults as compare to other age group and the lowest is 55 and above and 20-29 years.

With regard to position of respondents in the Kirkos sub city respondents, 46% of the respondents are government position holders, 29% of the respondents are NGO position holders, 12% of the respondents are SME position holders, and finally, 11% of the respondents are regulatory position holders respectively.

In the table above, educational status of each respondent has also been illustrated. Respondents that had up to 12 grades are 12%, 37% of the respondents that had 37% and degree holders are 51% respondents. These results show that level of educational status among respondents of the Kirkos sub city most of the respondents are educated more than high school holders.

In the table above, initiate the business of each respondents has also been illustrated. Respondents that are self-initiated has scored 11%, government driven has scored 19%, and NGO driven has scored 41%.

In the table above, been involved in IGA of each respondents has also been illustrated. 41% of the respondents are in the range of less than 5 years, 25% of the respondents are in the range of between 5–10 years, 23% of the respondents are in the range of between 10-15 years, 11% of the respondents are in the range of the respondents are between 15-20 years. This shows that most of the respondents are in the range of 5-10 years.

4.2 Descriptive Statistics

The researcher used the descriptive statistics or central tendency to do the analysis of the study that is using mean scores of each variable. The main reason of using this measurement was to demonstrate the average responses of respondents for each question that was included under each dimensions of the predictor variable and to reach the grand mean of each dimension. Analysis of each of the four IGA dimensions is discussed below. The responses of for each variables were ranked on five-point Likert scale method with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree.

Standard deviation was also used to show the variability of measurements from the mean (average). The higher standard deviation indicates a wider distribution of the scores from the mean. This distribution indicates more heterogeneous or dissimilar spread of scores on a scale. While, if the value is lower, it shows a smaller range with comparable or homogeneous spread of scores around the mean (Mark, Philip and Adrian, 2009). Accordingly, respondents view about each presented statements on each IGA dimensions and their perception towards the studied independent variables are analyzed with the mean and standard deviation results as follows.

Table 3.3: Guideline for Interpreting Quantitative Data

Range	Interpretation
1-1.8	Strongly Disagree
1.81–2.6	Disagree
2.61 –3.49	Somehow agree
3.5 – 4.9	Agree
4.91 – 5	Strongly Agree

Source: (Best, 1977)

4.2.1 Project Management-related Factors

Table 4.4: Mean and standard deviation of Project Management-related Factors

Items of project management related factors	Mean	Standard D.
Pre-Feasibility study	3.3250	1.24719
NGO supports and follow up after establishment	3.0344	1.16455
Record keeping	3.1500	1.33297
Group dynamics	3.4469	1.28787
Gov. supports and follow up	3.3187	1.14400
Emphasis is placed on individual activities than on project objectives.	3.3969	1.12898
There is project management experience	3.6156	1.22631
A poorly prepared proposal, WBS, responsibility matrix, or work role definitions.	3.1844	1.21139
Estimation is made without regard to the experience of the workers.	3.9313	.97699
Proper financial Management	3.5937	1.17869
Cumulative of Project Management Related Factors	3.3996	1.18989

Source: Computed from the Questionnaire, 2020”

According to (Best, 1977) the mean score of 2.61 –3.49 is under somehow agree/moderately agree range. In table 4.5 above; the respondents’ response about project management related factors practice was rated as overall mean of 3.39 had assured the existences/actualities of project management related factors in the above mentioned Kirkos Sub-City. the response from the respondents indicate that the NGOs to some extent contribute to alleviate the local poverty problem which means they are in a position to fulfill the key aspects that determine how a project is managed, and critical factor that determines a project's progress and management.

Therefore, all the respondents responded somehow agree which shows there is consensus/agreement on Pre-Feasibility study, Lack of NGO underpins and catch up after foundation, Record keeping, Group elements, Gov. underpins and development, Emphasis is set on singular exercises than on venture destinations, Lack of task the board understanding, An ineffectively arranged proposition, duty grid, or work job definitions, Estimation is made

regardless of the experience of the laborers, and Proper money related Management. The value of the standard deviation, (SD= 1.18), i.e., value i.e. >1, implies that the responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants' responses are heterogeneous and widely spread from the mean.

4.2.2 Project-related Factors

Table 4.5: Mean and standard deviation of Project-related factors

Items of Project-related factors	Mean	Standard Deviation
There is proper planning	3.1687	1.02765
There is Sufficient fund to finance project	3.6531	1.12606
Complexity of project	3.4250	1.03269
There is market linkage	3.4000	1.03057
There is GOV follow up	3.2156	1.05361
There is NGO follow up	3.6594	1.09412
Unclear project scope definition	3.7563	1.10426
Poorly estimation of project budget	3.8156	1.01110
Financial literacy	3.5344	1.09948
There is proper group dynamics	3.7281	.98793
Cumulative of project related factors	3.53562	1.05675

Source: Computed from the Questionnaire, 2020”

As indicated by (Best, 1977) the mean score of 3.4 – 4.20 is under concur/fulfilled range. In table 4.6 over; the respondents' reaction about venture related variables practice was appraised as by and large mean of 3.53 had guaranteed the real factors of task related factors in the previously mentioned Kirkos Sub-City. the reaction from the respondents show that NGOs killing appropriate arranging, Sufficient store to back task, Complexity of undertaking, market linkage, GOV development, NGO development, Unclear venture scope definition, Poorly estimation of task spending plan, Financial proficiency and legitimate gathering elements. In addition, the value of the standard deviation, (SD= 1.05), i.e., value i.e. >1, implies that the responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants' responses are heterogeneous and widely spread from the mean.

4.2.3 NGO-related Factors

Table 4.6: Mean and standard deviation of NGO-related factors

Items of NGO-related factors	Mean	Standard D.
Lack of support from NGO	3.8437	1.05371
Lack of frequent meeting	4.0781	.99063
Low level of information coordination	2.8188	1.69036
Poor monitoring and control	2.7687	1.76423
Lack of trust by NGO	3.5063	1.09428
Poor financial Management by NGOs	4.0219	.80913
There is budget approval and discernment	3.8562	1.00685
Client emphasis on low construction cost	3.8250	.92713
Client interference during construction	3.7687	1.01229
Using company's historical data in estimating activities duration and cost	3.7750	.99182
Cumulative of NGO related factors	3.62624	1.13404

Source: Computed from the Questionnaire, 2020

As indicated by (Best, 1977) the mean score of 3.4 – 4.20 is under concur extend. In table 4.7 over; the respondents' reaction about NGO venture related elements practice was appraised as in general mean of 3.62 had guaranteed the creatures of NGO related factors in the previously mentioned Kirkos Sub-City. the reaction from the respondents show that NGOs absence of legitimate arranging, absence of Adequate reserve to back venture, intricacy of task, absence of market linkage, absence of GOV development, absence of NGO development, hazy undertaking degree definition, ineffectively estimation of venture spending plan, budgetary proficiency, and absence of appropriate gathering elements.

In addition, the estimation of the standard deviation, (SD= 1.13), i.e., esteem for example >1, suggests that the reactions of the respondents were scattered. At the end of the day, the standard deviation esteem shows that the members' reactions are heterogeneous and generally spread from the mean.

4.2.4 Input-related Factors

Table 4.7: Mean and standard deviation of Input-related Factors

Items of Input-related factors	Mean	Standard D.
Poor documented process for approval, checking and testing inputs	3.1813	1.35708
Lack of awareness about importance of inputs	3.0625	1.92879
Project delay due to shortage of inputs	3.0969	1.91349
All costs are less considered in planning (purchase costs, loading and unloading costs, inflation costs)	3.2625	1.99368
Unavailability of input as planned through project duration	3.9938	1.02933
Risk associated with unavailability and cost increase considered input planning is poor.	3.7187	1.00888
Poor mechanism uses of input in IGA	3.7875	.98825
Lack of project input management system	3.6125	.99205
Low quality of input selection	3.5719	1.08905
Escalation of input prices	3.6125	1.02622
Cumulative of input related factors	3.4901	1.33268

Source: Computed from the Questionnaire, 2020”

As indicated by (Best, 1977) the mean score of 3.4 – 4.20 is under concur/fulfilled range. In table 4.6 over; the respondents' reaction about undertaking related components practice was appraised as by and large mean of 3.49 had guaranteed the real factors of task related factors in the previously mentioned Kirkos Sub-City. the reaction from the respondents demonstrate that the respondents has happy with diminishing of Poor recorded procedure for endorsement, checking and testing inputs, Lack of mindfulness about significance of data sources, Project delay because of deficiency of information sources, All expenses are less considered in arranging (buy costs, stacking and emptying costs, expansion costs), Unavailability of contribution as arranged through undertaking term, Risk related with inaccessibility and cost increment considered information arranging is poor, Poor component employments of contribution to pay creating exercises, Lack of venture input the board framework, Low nature of information choice, and Escalation of information costs.

In addition, the estimation of the standard deviation, (SD= 1.33), i.e., esteem for example >1, suggests that the reactions of the respondents were scattered. At the end of the day, the standard deviation esteem shows that the members' reactions are heterogeneous and generally spread from the mean.

4.2.5 External-related Factors

Table 4.8: Mean and standard deviation of external-related Factors

Items of external-related factors	Mean	Standard D.
Items of External-related factors	3.835	1.05861
Difficult in weather condition	3.780	.99478
Problem of land acquisition and compensation	3.777	1.03965
Wastes disposals	3.695	1.01513
Unforeseen conditions	3.708	1.03588
Corruption	3.415	1.07365
Environmental concerns and restrictions	3.268	1.26799
Excessive bureaucratic condition	3.346	1.30167
Low participation of local community	3.550	1.18136
Changes in laws and regulations	3.496	1.21123
Cumulative of external related factors	3.587	1.118

Source: Computed from the Questionnaire, 2020”

According to (Best, 1977) the mean score of 3.4 – 4.20 is under agree/satisfied range. In table 4.9 above; the respondents’ response about external related factors practice was rated as overall mean of 3.58 in the above mentioned Kirkos Sub-City. the response from the respondents indicate that NGOs is compatible with the condition of the atmosphere in one area at a particular time, the extent and the implications of such forced relocation are diverse and variable, and designing a resettlement, plan means understanding the legal framework, considers land acquisition and compensation *are* the important issues as well, moving and destroying or storing damaged. The value of the standard deviation, (SD= 1.118), i.e., value i.e. >1, implies that the

responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants' responses are heterogeneous and widely spread from the mean.

4.2.6 Market-related Factors

Table 4.9: mean and standard deviation of market-related factors

Items of Market-related factors	Mean	St/D.
Lack of awareness about potential buyers of products	3.381	1.13851
Lack of proper market linkage with buyers	3.421	1.13652
Proximity of buyers locations	3.593	1.08160
Quality of products is not assured	3.337	1.13307
Poor planning for acquiring and delivery of products and services	3.240	1.23236
Lack of utilization of technology for communication with buyers	3.371	1.08386
Proper understanding of buyers interest	3.384	.99799
Abnormal competition with similar market actors	3.537	.97226
Weak communication with stakeholders such as NGO and Government.	3.946	.93704
Low efficiency and delivery	3.375	1.09287
Cumulative of Market-related factors	3.459	1.08061

Source: Computed from the Questionnaire, 2020”

According to (Best, 1977) the mean score of 3.4 –4.20 is under agree/satisfied range. In table 4.10 above; the respondents' response about market related factors practice was rated as overall mean of 3.45 had guaranteed the practice of market related factors in the above mentioned Kirkos Sub-City. the response from the respondents indicates that NGOs and sub city are doing a good job that the government holds much way over the free markets, government holds much sway over the free markets, supply and demand for products, services, currencies and other investments creates a push-pull dynamic in prices, Government news releases, such as proposed changes in spending or tax policy.

Moreover, the income generator stakeholders are working with such items to cover the absence of the above mentioned items such as Absence of mindfulness about potential purchasers of items, Lack of appropriate market linkage with purchasers, Proximity of purchasers areas,

Quality of items isn't guaranteed, Poor getting ready for procuring and conveyance of items and administrations, Lack of use of innovation for correspondence with purchasers, Proper comprehension of purchasers premium, Abnormal rivalry with comparative market on-screen characters, Weak correspondence with partners, for example, NGO and Government, and Low effectiveness and conveyance. The value of the standard deviation, (SD= 1.080), i.e., value i.e. >1, implies that the responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants' responses are heterogeneous and widely spread from the mean.

4.2.7 Project Problem in Income Generation Activity Business

Table 4.10: Mean and standard deviation in Income generation activities

Problems	Options			
	Yes	FC	No	FC
Problem of per feasibility	64	76.2%	20	23.8%
Quality problem	16	19%	68	81%
Problem of implementation delay	58	69%	26	31%
Lack of NGO and government support	45	54%	39	46%

Source: Computed from the Questionnaire, 2020

The reactions from the respondents show that venture issue in salary age movement business, all the 84 respondents reacted the accompanying answer. Concerning issue of per achievability the reaction is from 76.2% with yes reaction, 23.8% of reaction fall under the scope of 'No'. This suggests the appraisal of the common sense of a proposed task or framework and the edge of in one extra unit of profitability of a predetermined yield for each a certain something, achievability is the proportion of how well a proposed framework takes care of the issues is with acceptable condition.

The reaction given on the NGOs job in building neighborhood limit Quality issue of the sub-city is 19% with Yes, and 81% with No. The respondents all can't help contradicting the quality issue and this surmises specialists are not accessible implies that the necessary data isn't immediately accessible. Be that as it may, a portion of the respondents are concurred with the current pay creating process is rehearsing with the presence of value issue.

The reactions from the respondents show that Problem of usage delay, all the 84 respondents reacted the accompanying answer. Concerning of execution defer the reaction is from 69% with yes reaction, 31% of reaction fall under the scope of 'No". This infers while financing advancement ventures, in any case, the NGO faces unique, in their temperament and causes, sorts of issues. One of these issues is delay in venture usage coming about cost invade, rehashed extra advance and advance reimbursement rescheduling demand.

The reactions from the respondents demonstrate that absence of NGO and government support, all the 84 respondents reacted the accompanying answer. Versus absence of NGO and government bolster the reaction is from 54% with yes reaction, 46% of reaction fall under the scope of 'No". This demonstrates there is an issue with the resident based gathering that capacities autonomously of government, however might be associated with universal charitable, formative, or social missions especially with the Kirkos sub city.

Table 4.11: Correlation between factors of income generation activities

Factors	Correlations	Income generation activities
Project management related factor	Pearson Correlation	.563**
	Sig. (2-tailed)	.000
Project related factors	Pearson Correlation	.568**
	Sig. (2-tailed)	.000
NGO related factors	Pearson Correlation	.525**
	Sig. (2-tailed)	.000
Input related factors	Pearson Correlation	.646**
	Sig. (2-tailed)	.000
External related factors	Pearson Correlation	.692**
	Sig. (2-tailed)	.000
Market related factors	Pearson Correlation	.559**
	Sig. (2-tailed)	.000

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Computed from the Questionnaire, 2020”

The results indicate that, there is statistically positive and significant relationship between project

management related factors and income generation activities ($r = .563^{**}$, $p < 0.01$), project related factors and income generation activities has statistical significant relationship with ($r = .568^{**}$, $P < 0.01$), NGO related factors and income generation activities has statistical significant relationship at ($r = .525^{**}$, $P < 0.01$), input related factors and income generation activities has statistical significant relationship with ($r = .646^{**}$, $p < 0.01$), external related factors and income generation activities has statistical significant relationship with a value of ($r = .692^{**}$, $p < 0.01$), market related factor and income generation activities has statistical significant relationship at ($r = .559^{**}$, $p < 0.01$).

4.3 Multiple Regression Analysis

Table 4.12: Coefficient of Regression Model for “income generation activities

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1. (Constant)	.549	.188		2.915	.004
Project management related factors	.121	.052	.140	2.342	.020
Project related factors	-.004	.060	-.004	-.064	.949
NGO related factors	.104	.058	.101	1.797	.074
Input related factors	.269	.067	.256	3.990	.000
External related factors	.300	.064	.335	4.695	.000
Market related factors	.083	.051	.098	1.622	.106
			$R^2 = .584$	(58.%)	

Source: Computed from the Questionnaire, 2020”

The results of multiple regressions, as presented in table above, revealed that Project management related has a positive and significant effect on income generation activities with a beta value (beta =.140), at 99% confidence level ($p < 0.01$). This implies that, if Project management related increases by 1 percent, income generation activities will increase by .140. The results showed that the standardized coefficient beta and p-value of Project related factors has negative and insignificant effect with (beta =-.004, $p > 0.01$). This implies that, if Project related factors decreases by 1 percent, income generation activities will decrease by-.004.

The result showed that the standard coefficient of beta and p-value of NGO related factors has positive and significant effect at (beta = .101, $p < 0.01$). This implies that, if NGO related factors increases by 1 percent, income generation activities will increase by .101. The result further shows that, Input related factors have a positive and significant effect on income generation activities with a beta value (beta = .256), at 99% confidence level ($p < 0.01$). This implies that, if Input related factors increases by 1 percent, income generation activities will increase by .256.

As table 4.13 also depicts that, the standard beta and p-value of External related factors has positive and significant effect with (beta = .335), and significant at 99% confidence level ($p < 0.01$). This implies that, if External related factors increases by 1 percent, income generation activities will increase by .335. Furthermore, the result of table 4.13 showed that the standard coefficient of beta and p-value of Market related factors has positive and significant effect at (beta = .098, $p < 0.01$). This implies that, if evaluation and feedback increases by 1 percent, income generation activities will increase by .098.

Regression Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.764 ^a	.584	.572	.566

a. Predictors: (Constant), factors of income generation activities

Source: Computed from the Questionnaire, 2020”

In overall, table revealed that all independent variables except the Project related factors accounted for 58.4% of the contribution for income generation activities ($R^2 = 0.584$). Thus, 58.4% of the variation in income generation can be explained by the six factors of income generation activities and other factors may limit contribution of factors of income generation to the income generation activities which accounts for about 41.6%.

Chi-Square Result Analysis

Table 4.4: Chi-Square Result Analysis

Test Statistics						
	Project Management related factors	Project-related factors	NGO-related factors	Input-related factors	Market-related factors	External-related factors
Chi-Square	2.205E2 ^a	1.626E2 ^b	1.925E2 ^c	250.000 ^d	1.951E2 ^e	161.750 ^c
Df	10	10	10	10	10	10
Asymp. Sig.	.000	.000	.000	.000	.000	.000

Source: Computed from the Questionnaire, 2020

According to table 4.12 the analysis of Chi-square for these data, the Chi-square is 2.205E2^a, 1.626E2^b, 1.925E2^c, 250.000^d, 1.951E2^e, and 161.750^c, which is significant at $p < 0.01$. This result indicates that there is less than a 0.1% chance that Chi-square this large would happen. Therefore, it can be concluded that the Chi-square overall predicts IGA significantly well.

4.4 Challenges of Income Generating Activities

The openness of business sectors by business members is basic to guaranteeing the maintainability of these ventures. Entrepreneurs frequently do not have the necessary data and information so as to showcase the products and ventures from their undertakings deliberately. Also, they think that its hard to benefit their items to the market in light of detachment of the commercial centers.

Concerning the Marketing difficulties, the aggregates of respondents were met and the investigation of their information was made. It was uncovered that, there are various kinds of market difficulties experienced by respondents when selling items from their ventures. This shows the respondents got unjustifiable delicate allotment as the most genuine showcasing challenge, firm rivalry and poor rivalry. Low interest for items from youth undertakings was the least promoting challenge.

Worried to the Government guideline and arrangements, Taxation laws were positioned as the most genuine test for waterfront networks to run undertakings, permitting guidelines, sponsorship approaches were positioned as the least genuine test and rivalry guidelines, poor people framework is a test for enterprise in light of the fact that the administration and NGO's here contributes less on foundation improvement. In this way, the inventory network would be influenced by the poor vehicle framework the interest can't be continued and it prompts rising costs, so the assessment likewise increment. Deficient amicable offices for ladies to take part in Income creating exercises. Culture, religion and ideological framework make us need available time; our portability is controlled; assets are abused by our spouses.

Absence of capital, the low salary of single parent family expands the impacts to the seaside society due to the increasing mortality and dreariness rates among kids and ladies because of neediness. Different impacts incorporate high recurrence the nature of instruction stayed low and there is an expansion pace of school dropout; expanded youngster work.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter deals with summary of the finding, conclusions and recommendations. The main purpose of the study was to assess the challenges and practices of NGO driven income generation activities in Kirkos sub city. To achieve the objective of the study, relevant literature was reviewed and quantitative data were collected through questionnaire filled by respondents. The data collected through questionnaire were presented, analyzed, interpreted and discussed using statistical package for social science SPSS version. Thus, based on the analysis the following findings were written, conclusions drawn, and recommendations forwarded for the practitioners of the NGO driven income generation activities and researchers who are interested to conducted in-depth study on this issues on the same sub city or other sectors in the country in general and Addis Ababa in particular.

5.1 Summary of Findings

Primary data was gathered by using structured questionnaire. A total of 96 structured questionnaires were distributed to Kirkos sub city respondents through purposive sampling techniques. Quantitative descriptions were applied on the data gathered to analyze the information obtained. By undertaking a detailed analysis of the situation, the following findings were obtained.

- Based on the cumulative result of descriptive statistics, project management related factor scored a mean of 3.39 and 1.18, and this infers that most of the respondents are somehow agreed. The value of the standard deviation, (SD= 1.18), i.e., value i.e. >1, implies that the responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants' responses are heterogeneous and widely spread from the mean.

- With esteem to the cumulative result of descriptive statistics project related factors has scored a mean of 3.53 and 1.05, this implies that the overall respondent are agreed. The value of the standard deviation, (SD= 1.05), i.e., value i.e. >1, implies that the responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants' responses are heterogeneous and widely spread from the mean.

- With regard to the cumulative result of descriptive statistics NGO related factors has scored a mean of 3.62 and 1.13 moderately satisfied, and this result indicates that it agreed. The value of the standard deviation, (SD= 1.13), i.e., value i.e. >1, implies that the responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants' responses are heterogeneous and widely spread from the mean.
- With concern to the cumulative result of descriptive statistics input related factors has scored a mean of 3.49 and 1.33, this result concludes that respondents are somehow agreed. The value of the standard deviation, (SD= 1.33), i.e., value i.e. >1, implies that the responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants' responses are heterogeneous and widely spread from the mean.
- With respect to the cumulative result of descriptive statistics market related factors has scored a mean of 3.58 and 1.11. This result concludes that respondents are agreed. The value of the standard deviation, (SD= 1.11), i.e., value i.e. >1, implies that the responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants' responses are heterogeneous and widely spread from the mean.
- With favor of the cumulative result of descriptive statistics external related factors has scored a mean of 3.45 with 1.08 respectively. This shows that respondents are somehow agreed. The value of the standard deviation, (SD = 1.08), i.e., value i.e. >1, implies that the responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants' responses are heterogeneous and widely spread from the mean.

5.2 Conclusion

- Moreover, the Kirkos sub city are not viable in the usage of their pay. Hence, the gathered salary has less commitment to the financing of the Kirkos sub city for there were no unmistakable monetary rules in utilizing their interior pay. This is because of absence of ability of market advancements, absence of impetuses and full investments of their individuals in creating salary producing and use exercises.
- Most NGOs get their operational spending plan from outside source because of this they rely upon their givers plan. Albeit, hardly any NGOs started to include in salary age exercises they are as yet subject to outside assets. Good cause/NGOs have no arrangement for the maintainability of their activities. Salary age exercises and neighborhood assets preparation exercises are not agreeably executed.
- Concerning the joint effort of the NGOs/Charities with the comparing government workplaces the legitimate and arrangement structure convince the NGOs to have regulatory coordinated effort with the individual government workplaces. NGOs cooperation among themselves and the systems administration process shows great start, numerous NGOs are in the enrollment of CRDA. Same reason NGOs started to team up with national and global NGOs. As a rule, the coordinated effort and net-working movement isn't sufficiently executed.
- There are mistaken assumptions on the legitimate and arrangement issues between the NGOs and the legislature. During enrollment and permit restoration NGOs experienced issues which prompted bother and superfluous deferral simultaneously. As it is introduced in the examination, the order of exercises among managerial and operational are not unmistakably expressed.
- In view of the examine information, this investigation infers that NGOs builds its financing from nearby establishments. These could be assets from people that had been depended in establishments or trusts. An examination of budget reports sent in by NGO of salary originated from gifts.

- In light of the discoveries, the examination reasons that NGOs get a lion's share of their pay from remote contributor subsidizing. This inflow of cash into the nation is a commitment that ought not be thought little of. The most significant offer is the commitment the NGO division makes to the advancement of networks and to completely changing people. By intently checking benefactor exercises specifically moves from one anticipate to the next, the associations can organize its undertaking financing. It tends to be closed further that the normal mean for the cost recuperation on budgetary supportability uncovers that there is an abundance of information about the way toward improving associations' manageability, worked by the encounters of numerous individuals who have worked over numerous years to improve the maintainability of a wide range of associations.
- It is additionally essential to take note of that NGO part is basic to the prosperity of society and this was unequivocally held by the respondents just like the view that it ought to be reinforced. The accentuation regarding recognition falls on the job of government in reinforcing this part as opposed to on the worldwide network and religious associations. This was most likely as a result of a push toward more noteworthy confidence and less reliance on the global benefactor organizations. Taking everything into account, the investigation noticed that NGOs have lately felt the powerlessness of being over dependent on remote guide and likely should move away from this circumstance.

5.3 Recommendation

- There is have to seek after a strategy which ought to accentuate that NGOs ought not just give money related help to the setting objective upheld salary creating ventures yet in addition be associated with educational plan advancement and preparing on the grounds that NGOs can provide required adaptability so as to assess nearby conditions.
- It is likewise suggested that the individuals from salary creating undertakings should direct possibility concentrates before the beginning of the activities. The pay producing individuals ought to pick the venture they need to set out on themselves and this to be founded on the clients' needs.
- Undertaking individuals should choose their office bearers and the workplace bearers ought to be individuals they trust. All the task individuals ought to be educated and concede to what

is set down in their structure. The undertaking individuals ought to likewise work as indicated by the principles set in their constituents so as to work successfully and maintain a strategic distance from bunch debates.

- The non-working tasks should put forth an attempt to meet up to settle their gathering debates and choose if they need to proceed with their undertakings or not. In the event that the gatherings feel emphatically that they can't cooperate, at that point they ought to choose what they will do with the business premises. It is additionally prescribed that for the individuals who need to restart as people they ought to be permitted to do as such yet separate their items better to involve a specialty in the market with the goal that they draw in clients.
- There ought to be an arrangement set up with respect to both government and NGO financing that pay creating ventures ought to be supported to direct practicality reads before subsidizing for the activity or extension of the undertakings to guarantee that their tasks will be reasonable before initiating or while applying for assets for development. Financing ought to likewise not exclusively be coordinated to bunch however singular activities ought to be empowered too. The approach ought to likewise accentuate the mix of pay creating exercises with education in the educational plan so everyone engaged with the salary producing venture is empowered to utilize the abilities for powerful running of the activities.
- Arrangement of motivating forces for those well performing individuals and full investment of staff individuals in creating pay age exercises rules and usage of the produced pay. In this manner, the represented bodies need to make such working atmosphere to create feeling of belongingness of staff individuals in all pay producing exercises.
- Salary age ought not to be on the cost of value preparing. Consequently, it is prescribed to consider arrangement of value administrations when they present any salary creating and usage guidelines in their particular sub city.
- The sub city need to misuse every single accessible asset to expand the measure of salary raised from various sources. Right now, source like preparing with creation exercises must be successfully used for its favorable position of presenting respondents to get genuine

functional aptitude notwithstanding raising salary. Moreover, Kirkos sub city need to set up business focuses in their compound autonomously from the primary preparing program.

- In accordance with that, by building the neighborhood limit they need to take a shot at keeping away from reliance mindset. NGO's ought to include in pay age exercises, as Kirkos sub city right now. They have additionally need to extend their contributor base inside household. To have pay age plot assists with limiting complete reliance on remote assets. NGO's should lead standard study, recognizable proof and dissecting to unmistakably comprehend the nearby setting, to improve their administration and to plainly report their exhibition.
- The administration every so often gives direction on arrangement and salary creating movement rule issues and this should keep on maintaining a strategic distance from disarray and misconstruing and to get a contribution from all partners even to improve some legitimate and approach issues. NGO's ought to satisfy with the laws and approaches of the nation to produce their business for reasonableness of the association and a similar way government ought to reinforce the limit of the built up office, so that to render best assistance however much as could be expected.

REFERENCES

ACF (2005). Technical strategy paper – Action contre la Faim International. Draft internal document

Ali Mostashari. (2005) an Introduction to Non-Governmental Organizations (NGO) Management.

Amador Gomez Christine Baki, Ludovic Bourbé, Hélène Deret, and Sabrina Valy. (2009), income generation activities.

CSO Taskforce. (2011) Users' Manual for the Charities and Societies Law, Taskforce on Enabling Environment for Civil Society in Ethiopia. Addis Ababa.

David Lewis and Nazneen Kanji London. (March 2009) non-governmental organization and development.

David Hulme Nicola Banks and. (2012). The role of NGOs and civil society in development and poverty reduction.

Dessalegn Rahmato. (2002) Civil Society Organizations in Ethiopia. In Ethiopia

Debebe Hailegebriel (2014) Promoting Democracy and Good Governance: The Role of Ethiopian Media and Civil Society Organizations.

Deryke Belshaw and Erin Coyle. (2001) poverty Reduction in Ethiopia and the Role of NGOs.

Aisha Ghaus-Pasha. (2004) Role of Civil Society Organizations in Governance.

Basel Ghattas. (July, 2009) Civil Society Sustainable Development and Self-Reliance Strategies Adalah's Newsletter, Volume 62.

Gebre Yntiso Deko. (2012) Civil Society and Income Generation Activities in Ethiopia final report.

Shoa Asfaha (February 2011) Civil Society Challenge Fund Visit To Ethiopia Final report.

Edwards. (2004) Civil Society Cambridge Polity.

Elliott and Ladislav Timulak. (2005) Descriptive and interpretive approaches to qualitative research report

Ellis, F. (2000) Rural Livelihoods and Diversity in Developing Countries.

Eric Werker and Faisal Z. Ahmed.(May 2007) What Do Non-Governmental Organizations Do

Hellinger, D. (1987) NGOs and the Large Aid Donors, in World Development, vol. 15

Hyndman, N. and McDonnell. (2009) Governance and Charities: An Exploration of Key Themes and the Development of a Research Agenda

IRIN (2011) Foreign funding critical for NGO survival. Nottingham University center for Research in Economic Development and International Trade.

John Hailey (November 2014) Models of INGO Sustainability: Balancing Restricted and Unrestricted Funding.

John W. Creswell. (2014) 4th edition Research design qualitative, quantitative, and mixed methods approaches.

Jeffrey Clark (2000) Civil Society, NGOs, and Development in Ethiopia. a Snapshot View.

John W. Creswell (2003) second edition of Research Design Qualitative, Quantitative and Mixed Methods Approaches.

Kumar and Ranjit. (2005) Research Methodology A Step-by-Step Guide for Beginners, (2nd.ed.) Singapore, Pearson Education.

Lauth, H. (2003) Ambivalenzen der Zivilgesellschaft in Hinsicht auf Demokratie und soziale Inklusion.

Lanisia Rhoden. (2014) The Capacity of NGOs to Become Sustainable by Creating Social Enterprises. Journal of Small Business and Entrepreneurship Development

Mechai Viravaidya and Jonathan Hayssen (2001) Strategies to strengthen NGO capacity in resource mobilization through business activity.

Merkel, W. and H. Lauth.(1998) Systemwechsel und Zivilgesellschaft. Welche Zivilgesellschaft braucht die Demokratie

Mechai Viravaidya and Jonathan Hayssen. (200) Strategies to strengthen NGO capacity in resource mobilization through business activity.

Mavoko Kapyepye (2013) Resource mobilization for NGOs in the developing world. London. Adonis and Abbet Publishers Limited.

AbouAssi, K. (2013). Hands in the pockets of mercurial donors: NGO response to shifting funding priorities. *Nonprofit and Voluntary Sector Quarterly*, 42(3), 584-602.

Alexander, J. A. and Weiner, B. J. (1998).The Adoption of the Corporate Governance Model by Non-profit Organizations, *Nonprofit Management and Leadership*, 8.

Alfirević, N., Pavičić, J., NajevČačija, Lj. (2013). Fundraising and Sources of Financing of Croatian Nonprofit Organizations. In Umihanić, B., Kurtić, A., KokorovićJukan, M., Nuhanović, A. (Eds.), Proceedings of the third international scientific conference ICEI 2013: Using Knowledge to Move from Recession to Prosperity (pp. 599- 614). Tuzla: Faculty of Economics Tuzla.

Amit R and Shoemaker J. H. (1993). Strategic Assets and Organizational Rent, *Strategic Journal* 14, 33-46.

Barney, J. B. (2014). How marketing scholars might help address issues in resource-based theory. *Journal of the Academy of Marketing Science*, 42(1), 24-26.

Barrett, C., Bezuneh, D. Clay & Reardon T. (2000).Heterogeneous constraints incentives and Income diversification strategies in rural Africa. Broadening access market Strengthening Input System University of Wisconsin, Madison Wisconsin.

Bomberg, E., & McEwen, N. (2012).Mobilizing community energy. *Energy policy*, 51, 435- 444.

Bray, I., (2010). *Effective fundraising for Nonprofits: Real-World Strategies That Work*, Berkley, Calif: Nolo.

Camisón, C. (2005). On how to measure managerial and organizational capabilities. Multiitem Models for measuring distinctive competences, *Management Research*3, (1), 27- 48.

Chreiner, M. and Yaron, J. (1999).The subsidy dependence index and recent attempts to adjust it, *Savings and Development*, 23 (4) 375-405.

Chumo L., F. (2011). Sustainability strategies adopted by NGOs in Nairobi, Kenya. *MBA Research Project*, University of Nairobi.

Deich, G. & Hayes, D. (2007). Thinking Broadly: Financing Strategies for Youth Programs

- Desa, G. (2012). Resource mobilization in international social entrepreneurship: Bricolage as a mechanism of institutional transformation. *Entrepreneurship Theory and Practice*, 36(4), 727-751.
- Edwards, B., & Gillham, P. F. (2013). *Resource mobilization theory*. The Wiley-Blackwell Encyclopedia of Social and Political Movements.
- Eltantawy, N., & Wiest, J. B. (2011). The Arab spring| Social media in the Egyptian revolution: reconsidering resource mobilization theory. *International Journal of Communication*, 5, 18-25.
- Filene (2011). *Credit union financial sustainability: a colloquium at Harvard University*, Report No. 231, Filene Research Institute, Harvard University.
- Garner, C. (1998). Accounting and Budgeting in Public and Nonprofit organizations. *Behavioral Research in Accounting*, 22, 171-178.
- Gebrasselassie-Hagos, E. & Smit, A. (2013). The Effects of the 2008/9 Economic Recession on NGO Sustainability and functioning in the South African Social Services, Health and Education Sectors, in *Social Work/Maatskaplike Werk* 2013, 49 (1): 101-125.
- Green, G. P., & Haines, A. (2015). *Asset building & community development*. London: Sage publications.
- Hampson, K., Cleaveland, S., & Briggs, D. (2011). Evaluation of cost-effective strategies for rabies post-exposure vaccination in low-income countries. *PLoS Negl Trop Dis*, 5(3), 982.
- Henin, B. (2002). Agrarian change in Vietnam's northern upland region" *Journal of contemporary Asia* 32(1):3-28.
- Hermes, N., & Lensink, R. (2011). Microfinance: its impact, outreach, and sustainability. *World development*, 39(6), 875-881.
- Hoopes, D.G., Madsen, T.L. and Walker, G. (2003). Guest editors' introduction to the special issue: why is there a resource-based view? Toward a theory of competitive heterogeneity, *Strategic Management Journal*, 24 (10).889-902.
- Keller, E. (2010). Cutting Costs, Keeping Quality: Financing strategies for youth serving organizations in a difficult economy.
- Kilbey, B. (2010). The State of Fundraising Within the Nonprofit Social Services Sector: A study to determine how and what levels of success South African NPOs are managing and operating their fundraising functions. University of Cape Town. (MA Thesis)

- Kothari, C. R. (2004). *Research Methodology: Methods and Techniques*, New Delhi: New Age International.
- Kozlenkova, I. V., Samaha, S. A., & Palmatier, R. W. (2014). Resource-based theory in marketing. *Journal of the Academy of Marketing Science*, 42(1), 1-21.
- Likert, R. (2009). *The Human Organization Its Management and Value*. New York McGraw – Hill.
- Lindblom, C. (1959). The science of muddling through. *Public Administration, Review*, 19, (2).
- Mugenda, O. & A. Mugenda. (1999). *Research Methods: Quantitative and Qualitative Approaches*. Nairobi: Act Press.
- Mulroy, E. A., (2003). *Community as a Factor in Implementing Inter organizational*, New York: Jossey Bass
- Nyamsogoro, G.D. (2010). Financial sustainability of rural microfinance in Tanzania, *PhD thesis*, University of Greenwich, Greenwich.
- Nyberg, A. J., Moliterno, T. P., Hale, D., & Lepak, D. P. (2014). Resource-based perspectives on unit-level human capital a review and integration. *Journal of Management*, 40(1), 316-346.
- Olale, E., & Henson, S. (2012). Determinants of income diversification among fishing communities in Western Kenya. *Fisheries Research*, 125, 235-242.
- Pennathur, A. K., Subrahmanyam, V., & Vishwasrao, S. (2012). Income diversification and risk: Does ownership matter? An empirical examination of Indian banks. *Journal of Banking & Finance*, 36(8), 2203-2215.
- Pfeffer, J., & Salancik, G.R. (1978; 2003). *The External Control of Organizations: A resource Dependence Perspective*. New York.
- Rawlings. (2010). charity seeks revenue streams as donor funding wanes business daily 15th February 2011.
- Renz, D. O. (2010). *The Jossey-Bass Handbook of Nonprofit Leadership and Management*, San Francisco, Calif.: Jossey-Bass.
- Rogowski, R. (2015). *Rational legitimacy: A theory of political support*. New York: Princeton University Press.

Miranda, Miranda, Tenedero, Tenedero, Fiel-Miranda, Fiel-Miranda, and Celestino, (2016) investigated the extent of implementation of income-generating projects of the University of Eastern Philippines.

Tachizawa, M. E., & Yew Wong, C. (2014). Towards a theory of multi-tier sustainable supply chains: A systematic literature review. *Supply Chain Management: An International Journal*, 19(5/6), 643-663.

Viravaidya, M., & Hayssen, J. (2001). *Strategies to strengthen NGO capacity in resource mobilization through business activities* (p. 1). PDA and UNAIDS Joint Publication.

Waiganjo, E.W., Ngethe, J. M., & Mugambi, D.N., (2012, April). An Investigation into the strategies adopted by Non-Governmental Organizations in Kenya to increase financial Sustainability, *International Journal of Current Research*, 4, (4).

QUESTIONNAIRE
JIMMA UNIVERSITY
SCHOOL OF POSTGRADUATE

Dear respondents!

The researcher is a graduate student of MA in Project management and Finance of Jimma University. The requirement of the program is to come up with a research related the field of study. The aim of this questionnaire is to study effects of NGO driven income generating activities, in Addis Ababa Kirkos Sub-city. This questionnaire is required to be filled with exact relevant facts as much as possible. All data included in this questionnaire was used only for academic research and was strictly confidential. Your response, in this regard, is highly valuable and contributory to the outcome of the research. Post Graduate Student, Jimma University, College of Business and Economics. Tel: 0985240914, E – mail: - tebeje2010@gmail.com Skype: tebeje.nigussie

Section ‘A’: General information (Respondent Background):

1. Kindly indicate your gender? Male Female
2. Respondents’ Position in the firm: SME NGO Gov. Regulatory
3. Company /Entrepreneur name (For SME):
4. Types of IGA (For SME):
5. Who initiate the business: self-initiated Gov. driven NGO driven
6. Show your age bracket? 20 –29 years 30 –39 years 40-49 years above 50 years
7. How long have you been involved in this IGA?
Less than 5 years Between 5 - 10 years Between 10-15 years
Between 15 - 20 years Above 20 years

8. Indicate the level of your education?

Up to 12 Grade [] Diploma [] Bachelor's degree [] Masters [] PHD []

9. What is your responsibility in your organization? _____

Section B: For the following listed project problem, if it exist in your IGA business fill the following table with a given options.

S/N	Problems	Options	
		Yes	No
1	Problem of pre-feasibility		
2	Quality problem		
3	Problem of implementation delay		
4	Lack of NGO and Gov. Support		

Section C: Respondents Opinion Survey

Please indicate the extent of your agreement or disagreement with each statement as objectively as you can by circling a number from **1 to 5**. Whatever information you give me is strictly confidential and could be used for academic purpose only, so please respond honestly. Use the following rating scale.

Project Management - Related Factors Measurement Sale	Strongly Disagree	Disagree	Somehow Agree	Agree	Strongly Agree
Pre-Feasibility study					
Lack of non-government organization supports and follow up after establishment					
Record keeping					
Group dynamics					
Government supports and follow up					
Emphasis is placed on individual activities than on project objectives.					
Lack of project management experience					
A poorly prepared proposal, WBS, responsibility matrix, or work role definitions.					
Estimation is made without regard to the experience of the workers.					
Proper financial Management					
Project - related factors Measurement Scale					
Lack of proper planning					
Lack of Sufficient fund to finance project					
Complexity of project					
Lack of market linkage					
Lack of Government follow up					
Lack of non-government organization follow up					
Unclear project scope definition					
Poorly estimation of project budget					

Financial literacy					
Lack of proper group dynamics					
NGO - related factors Measurement Scale					
Lack of support from Government					
Lack of frequent meeting					
Low level of information coordination					
Poor monitoring and control					
Lack of trust by Government					
Poor financial Management by non-government organization					
Delay in budget approval and discernment					
Client emphasis on low construction cost					
Client interference during construction					
Using company's historical data in estimating activities duration and cost					
Input - related factors Measurement Scale					
Poor documented process for approval, checking and testing inputs					
Lack of awareness about importance of inputs					
Project delay due to shortage of inputs					
All costs are less considered in planning (purchase costs, loading and unloading costs, inflation costs)					
Unavailability of input as planned through project duration					
Risk associated with unavailability and cost increase considered input planning is poor.					
Poor mechanism uses of input in Income generating activity					
Lack of project input management system					
Low quality of input selection					
Escalation of input prices					
Market - related factors Measurement Scale					
Lack of awareness about potential buyers of products					
Lack of proper market linkage with buyers					
Proximity of buyers locations					

Quality of products is not assured					
Poor planning for acquiring and delivery of products and services					
Lack of utilization of technology for communication with buyers					
Proper understanding of buyers interest					
Abnormal competition with similar market actors					
Weak communication with stakeholders such as non-government organization and Government.					
Low efficiency and delivery					
External - Related Factors Measurement Scale					
Difficult in weather condition					
Problem of land acquisition and compensation					
Wastes disposals					
Unforeseen conditions					
Corruption					
Environmental concerns and restrictions					
Excessive bureaucratic condition					
Low participation of local community					
Changes in laws and regulations					
Political concern rather than social and economic concern					

Thank You for Your Cooperation!!