NGOs and Poverty Alleviation in Nicaragua: A Comparison of Four NGOs

A Research Paper by Anna N. Daly
SUNY Oneonta Student: International Development Studies
dalyan25@suny.oneonta.edu
Center for Social Science Research Student Paper Competition
Category II: Long Essay
Abstract

Non-governmental organizations involved in poverty alleviation are prevalent in Nicaragua, a Latin American country with high levels of poverty. This paper will discuss four different types of NGOs and their effectiveness; humanitarian, development, advocacy and market-based approach in a comparative manner. The research is focused on the following variables: (1) the funding strategies and relationships with donors of NGOs and (2) the representation and communication with the communities.
Introduction

Non-governmental organizations (NGOs) are non-profit, voluntary groups that are goal-oriented. There are various types of NGOs engaged in different matters such as poverty, human rights, environment, health and education, and are based on a local, national or international level. Four fundamental categories of NGOs include humanitarian, development, advocacy, and market-based approach NGOs (Amagoh 221). A primary focus of many international NGOs is the alleviation of poverty. Nicaragua is the second poorest country in the western hemisphere and has faced an array of obstacles in the past, including natural disasters, political turmoil, and civil war. The country lacks education and literacy, has limited economic opportunities, inadequate infrastructure, high levels of inequality, environmental degradation and immense corruption within the government. Currently over 3,000 NGOs work in Nicaragua. Nicaragua is highly dependent on aid and receives the majority of its aid from NGOs (Chahim 494).

Non-governmental organizations can measure their effectiveness in reaching the goals in which they set. Two variables that strongly correlate with the effectiveness of NGOs are (1) the funding strategies and relationships with donors of NGOs and (2) the representation and communication with the communities. Funding strategies are the ways in which the organization acquires financial support to run their programs. Relationships with donors are significant due to the specific wants of private donors in the allocation of their money. NGOs that include the local voices of communities will be more effective in alleviating poverty. This paper will focus on the following research question; what strategies [funding and representation] are the most effective and influential for non-governmental organizations to alleviate poverty in Nicaragua?

The case studies that follow will include four prominent international NGOs working in Nicaragua, from four different categories; humanitarian, development, advocacy and market-
The NGOs, respectively to their category are Oxfam, World Vision, Amnesty International and Foundation for Sustainable Development.

**Categories of nongovernmental-organizations (NGOs) for Case Studies**

The four categories of NGOs that this research paper will focus on are humanitarian, development, advocacy, and market-based approach. Humanitarian NGOs provide services and aid for those in need in order to alleviate suffering (Miliband 119). They often work in settings with a sense of urgency such as war zones or natural disaster areas, while putting long-term consequences to the side and focus on human suffering (Buthe 577). Development NGOs focus on the root and underlying causes of poverty and aim to create sustainable, long-term improvements. They seek to construct a lasting impact and improvements in quality of life rather than short-term alleviation of suffering (Buthe 578). Advocacy NGOs promote specific causes through creating awareness, acceptance and change. They attempt to gain support through campaigns, rallies, and demonstrations and often use media as a form of communication with supporters (Srivastava 28). Market-based approach NGOs concentrate on the idea that economic opportunities can help people pull themselves out of poverty with access to goods and services. Economic growth can be a powerful tool in reducing poverty (Hug 774).

**Dependent Variable: Effectiveness of NGOs**

It is very difficult to measure effectiveness of NGOs. Poverty is a multidimensional issue, and different organizations, governments, and regions may measure success and effectiveness differently in regards to poverty alleviation among developing countries. NGOs are not able to control all of the factors that influence the outcome of their programs (Amagoh 226). NGOs that engage in projects over the long-term are more likely to be effective. Long-
term sustainable projects are the focus of development NGOs, which target the underlying causes of poverty and work to create programs that will allow sustainable development and poverty reduction over time, versus short-term relief. The NGO staff, the donors, and the beneficiaries have different perceptions on the effectiveness and allocation of aid (Hug 775). Effectiveness is measured by the ability of an organization to meet the goals in alleviating poverty, while also meeting the needs of their beneficiaries (Amagoh 222). There are many factors that affect effectiveness of NGOs. One factor is the function of the NGO. An NGO that concentrates on one issues rather than an array of different issues is more likely to be effective in making measureable changes. However, NGOs must be flexible and always change, improve and adapt their programs. Another factor correlated with NGO effectiveness is strategically planning programs and goals, and how they will be achieved in the most effective way over the long-run. The two factors that this paper will focus on are the funding strategies and relationships with donors of NGOs and the representation and communication with the communities that the NGOs represent. Effectiveness will be based on the success of funding strategies, the relationships with donors, including the wants, needs and voices of the clients, and reaching NGO goals in poverty alleviation. The case study portion of the paper will focus on four different types of NGOs working in Nicaragua to alleviate poverty. The organizations include Oxfam, a humanitarian NGO, World Vision, a development NGO, Amnesty International, an advocacy NGO, and Foundation for Sustainable Development, a market-based approach NGO.

**Poverty in Nicaragua**

Poverty is an enormous obstacle in Nicaragua and has been for years. The Somoza dictatorship, followed by the Sandinista Revolution left the country in civil turmoil for ten years,
and also caused the collapse of the Nicaraguan economy. Now, about 50% of the people in Nicaragua live in poverty. 43% of people in Nicaragua live in rural areas, where resources are limited and the majority of families rely on agriculture. Of the 43% living in rural Nicaragua, 68% of them live on less than $1 a day, in severe poverty. In the rural parts of the country, farmers often use slash and burn agriculture, leaving the land overexploited and much more vulnerable to landslides and droughts. Nicaragua has also been disrupted by natural disasters such as Hurricane Mitch in 1998, which caused extensive destruction and loss of Nicaragua lives. Families’ faces immense domestic and sexual violence and abuse, and many children drop out of school and are forced into child labor. Parents cannot afford books and uniforms for their children, so instead the children work to earn money for their families. Lack of healthcare is also a prominent issue, with rates of malaria, tuberculosis, and child malnutrition soaring. A majority of families live without running water or electricity (Nicaragua: A Development Overview).

**Independent Variable 1: Funding strategies and donor/NGO relations**

NGOs are highly financially dependent on their donors, and are guided by their financial interests. There are an increasing number of NGOs, and decreasing number of donors willing to make commitments, drastically increasing the competition for funding among the NGO community (Srivastava 33). NGOs receive money from a diverse group of funding sources, including grants, individual donations, program fees, foundations, governments, corporations, businesses and institutions. The dependency of donors often causes NGOs to become “donor driven.” Donors give their funds to specific causes that they feel are important. The fads of northern donors are usually the policy agendas for NGOs in developing countries (Handlin 66). Unfortunately, NGOs are known to become too donor driven, focusing on the wants of the
donors rather than the societies whose interests and needs they are meant to represent. (Amagoh 230). The disparity between the expectations of the donor and expectations of the beneficiary in regards to poverty alleviation is a large factor of poor aid delivery (Hug 775).

According to Amagoh, donors are more likely to give funds to a specific project with a contracted outcome (Amagoh 231). This causes NGOs to focus on short-term results rather than long-term, sustainable projects, thus decreasing the effectiveness of the NGO (Chahim 491). Donors have the capability to shift the productivity of NGOs in the developing world by the allocation of their funds (Miliband 124). Donors give their money to NGOs working in developing country with good intentions, seeking to address issues that they care about, but they are generally contributing to the public interest rather than the actual issues of those living in severe poverty (Handlin 63).

Donors require a great deal of financial data and results from NGOs in order to ensure accountability. Accountability is a large disparity among donors and NGOs. Donors want to know that their contributions are spent accordingly, and on designated purposes, and they want financial statements and evaluation to prove it (Amagoh 232). This puts immense pressure on NGOs to focus on reporting numbers rather than improving their programs and concentrating on the communities they work in. Donors should shift away from holding NGOs accountable for financial information and instead, make them demonstrate measureable changes and improvements in the lives of their beneficiaries. NGOs should pursue to create the greatest impact from each donated dollar (Miliband 125).

There is an evident power relationship among NGOs and their donors. Their dependency towards donors is based on trust, and funding is sometimes unreliable. NGOs are known to lose their autonomy as their relations with their donors determine the projects they engage in. The
donor’s perception of need is a major factor in where NGOs decide to allocate aid (Srivastava 37). Thus, the greater the donor perception of need, the higher the aid allocation by the NGO (Buthe 577). NGOs that rely on government grants and funding are more likely to be unsuccessful due to the strain that the government puts on the NGO to report information (Amagoh 232). According to Hug, NGOs will respond to and become depend on their donors that control their resources that are critical to the operation of the organization (Hug 777). The less demand for annual reports and financial statements, the more likely the NGO is to reach both effectiveness and donor expectations. The more demand from donors for annual reports and financial statements, the less likely the NGO is to reach effectiveness and donor expectations (Hug 793).

**Independent Variable 2: Representation & communication with beneficiaries**

The concentration on meeting the needs of their donors often leads NGOs to forget about representing the interest and concerns of their beneficiaries. According to Buthe, large international NGOs race from one short-term project to the next in search for causes with fundraising purposes, rather than addressing the genuine and persistent needs of the poor (Buthe 583). The staff of the NGO, the poor, and the donors all have different expectations of poverty alleviation. The interests and ideologies of these groups have conflicting priorities (Chahim 494).

There is frequently a gap between the flow of ideas and information between the staff of the NGO in the developed country and the staff of the NGO in the developing country (Hug 775). The leaders of the NGO almost never share the same life opportunities of those they represent. The professional staffs of the NGO in both countries are rarely of the same class and
the ethnicity of their beneficiaries (Chahim 495). The poor living in developing countries are far away from the headquarters of large NGOs in the north, leading NGO managers to formulate project goals from their own perspective, rather than the perspective of their clients.

It is a considerable investment of both time and money to collect qualitative data by communicating with local communities, which are often in rural areas that are not easily accessed (Hug 776). This disconnection between NGOs and the people they represent can have a negative effect of the quality and effectiveness of the programs. Those living in poverty tend to have a different perspective on poverty alleviation. NGOs are reluctant to allow their beneficiaries to have input in the decision-making process of creating NGO programs. NGOs argue that clients may not recognize the long-term consequences of aid programs and therefore would not provide valid interpretation of effectiveness of aid (Hug 774). It is extremely difficult to gain access to communities as they are generally in very rural areas. Beneficiaries in local communities feel that there are other, more sincere problems that NGOs could be focusing on (Handlin 65). The effectiveness of poverty alleviation could be increased if NGOs aimed to represent and communicate with the local communities to formulate projects and goals.

**Independent Variable 3: NGO Overview**

(1) **Oxfam – Humanitarian NGO**

Oxfam International has three prominent programs in Nicaragua. One program is Emergency Response. Nicaragua is constantly threatened by natural disasters including earthquakes, hurricanes, floods, volcanic eruptions, landslides, droughts and climate change. Natural disasters increase poverty and vulnerability in affected communities. Oxfam Nicaragua gives training to communities to prepare themselves to face these natural catastrophes to protect
themselves and their families. In the case of a severe natural disaster, Oxfam works hand in hand with the National System for the Prevention of Natural Disaster and the United Nations to deliver an emergency response should it be required (Oxfam in Nicaragua).

(2) **World Vision – Development NGO**

World Vision Nicaragua focuses on the sustainable development of Nicaragua in three target areas; health and nutrition, education and life skills, and citizen protection. Health and nutrition programs include implementation and education of gardens for families in order to tackle child malnutrition, health programs within schools with focus on disease and healthy eating, and supporting school meals. Education programs include programs with pre-school aged students, arts and expression programs, development skills for life, support and education to schools and teachers and encouragement of entrepreneurship. Protection programs include providing birth certificates, counseling centers, policy advocacy groups, community training for natural disasters and children emergency programs (Our Work: Nicaragua).

(3) **Amnesty International – Advocacy NGO**

Amnesty International Nicaragua focuses fighting injustice and promoting human rights, violence against women, freedom of expression, sexual and reproductive rights. Amnesty investigates and exposes abuses, educates and mobilizes the citizens and the public, and helps transform societies to create a safer, more just world. The following issues are prominent in Nicaragua, and Amnesty works to improve on them. Abortion is still completely illegal in Nicaragua. Rape and sexual violence are a huge problem among women and young girls. The country also faces a large amount of attacks on journalists, activists, protesters, and others expressing their opinions openly (Nicaragua Overview).

(4) **Foundation for Sustainable Development – Market-based approach NGO**
Foundation for Sustainable Development Nicaragua supports a variety of microeconomic development programs in Nicaragua among communities in severe poverty. High unemployment levels in the country correlate with high levels of poverty. Nicaragua lacks access economic work and borrowing skills that are necessary for a successful economy. Some of the programs include strategic coaching of the successful management of microenterprises run by women, business training programs and workshops geared toward the needs of poor, logistical support to microcredit borrowers to understand the terms of their loans, and distributing international grants toward effective projects and trainings for the cultivation of microenterprises and microcredit programs for marginalized communities (Nicaragua at a Glance: Overview).

**Research Design: Most Similar Systems Design (MSSD)**

The research that follows will use the most similar systems design method which uses a comparative method of research that compares very similar cases which only differ in the dependent variable. MSSD starts out with similar variables and attempts to distinguish why the outcome is different between the subjects. For this specific case, the independent variables include the type of NGO, the funding strategies and relationship with the donors, and the representation and communication with local communities in poverty, and the dependent variable is the effectiveness of the NGO.

**Case Studies**

Research question: What strategies [*funding and representation*] are the most effective and influential for non-governmental organizations to alleviate poverty in Nicaragua? This paper will use the four NGOs listed above in relation to their funding strategies, relations with donors, and communication with the communities in which they work. These variables correlate to the
effectiveness of the NGO. The following hypothesizes will be tested and analyzed in relation to each NGO case study.

**Hypothesis 1:** I hypothesize that development NGOs are the most effective and influential in alleviating poverty in Nicaragua.

**Hypothesis 2:** If donors decrease their needs for reports, data and financial statements from NGOs, NGOs will reach both effectiveness and donor expectations.

**Hypothesis 3:** NGOs that represent, communicate, and work with the local communities in poverty to formulate projects and goals are more effective versus those NGOs that focus more on the wants on the public interest of society, governments and donors.

**Humanitarian NGO: OxFam**

The first type of NGO is the humanitarian category. The NGO studied in this research is OxFam. OxFam has programs in Nicaragua to prepare for, respond to, and assist the needs of communities that have dealt with natural disasters. Nicaragua is prone to and threatened by hurricanes, landslides, earthquakes and volcanic eruptions due to its location in the high-threat area of Latin America. Nicaragua has faced destruction and loss of lives from multiple hurricanes in recent history including Joan in 1988, Mitch in 1998, Beta in 2005 and Felix in 2007. The capital city, Managua, where over two million people reside is extremely prone to earthquakes, which leaves the cities infrastructure in ruins. There are currently several active volcanoes throughout the country that threaten communities close by including San Cristobal, Cerro Negro, Telica and Concepcion (OxFam in Nicaragua).

OxFam provides many services to Nicaragua in terms of disaster preparedness and relief. OxFam created an early warning system in several rural communities of Nicaragua to measure
precipitation and variation of river measurements in order to predict and prepare for future natural disasters. OxFam also provides disaster risk reduction training and supplies to give the people the means to prepare and protect themselves to face the catastrophes. OxFam provides emergency relief aid in times of crisis, directly after natural disasters. OxFam works with the National System for the Prevention of Natural Disasters and the United Nations to deliver emergency relief if it should be required (OxFam in Nicaragua).

According to the OxFam Annual Report and Accounts of 2013-2014, OxFam receives the majority of its funding through voluntary regular monthly donations, trading income, investment income, government grants, large charity events such as the OxFam Trailwalker and OxFam Unwrapped Gifts, and large institutional donors. OxFam concentrates on increasing their funds by creating strong relationships with donors in effort to secure the donations over the long-term. It is important for the organization to not only recruit donors, but retain these donors. OxFam reports data on the numbers of people and communities reached by its programs. By reporting through data, OxFam is maintaining a reliable relationship with donors. In terms of effectiveness and accountability, OxFam is constantly reviewing its programs to understand both the achievements and challenges of the programs, and how to better prepare and equip for future programs. The organization also participates in evaluations to assess the strategies used and to test the contributions of the programs made to social change and effectiveness (OxFam Annual Report and Accounts of 2014/2015). OxFam has successful funding strategies that result in concrete relationships with donors.

OxFam works with local officials and authorities in Nicaragua to ensure that the emergency relief they are supplying is being used effectively. The organization consults and communicates with key people living in the local communities to gather insight and assessment
on their programs, in order to always continue improving the strategies implemented. The relationship between the NGO and the people in living in the communities that Oxfam works with is crucial. This relationship allows for local voices to be heard by the NGO to ensure the needs of the poor are being met (Oxfam in Nicaragua).

Development NGO: World Vision

The second type of NGO researched is the development category. The NGO studied in this research is World Vision. World Vision has sustainable development projects in 690 communities in Nicaragua, in 10 departments of the country in the areas of health and nutrition, education, skills for life and protection. According to the World Bank, although the Nicaraguan government has made progress in alleviating poverty, it should clearly create a policy plan with sustainable poverty alleviation strategy, specifying priorities, programs, and goals (Our Work: Nicaragua).

Transformational development World Vision programs include the nutritional recovery model, family garden programs, health and school nutrition, support for school lunches, health learning models and programs, early simulation centers, development for preschool aged students, reading and the arts school programs, support for computer labs and libraries within schools, development of skills for life programs for all ages, encouragement and programs on entrepreneurship, providing birth certificates, counseling centers and abuse protection programs (Our Work: Nicaragua).

World Vision acquires the majority of its funds through sponsorship programs, church sponsored programs, private cash contributions, public and private gifts and grants, large campaign events and government grants. World Vision strives to provide both its donors and the
communities in which it works in with financial accountability through providing financial statements and annual reports. World Vision also provides donors and communities with reports of achievements and areas that their programs lacked or failed, with intentions to develop these programs and meet the standards of the beneficiaries in the future (2014 Accountability Report).

World Vision recognizes the importance of respecting the needs, concerns, capacities, and disposition of those whom they work with. The organization works with local community members to identify the critical needs of the people in the communities. World Vision includes community involvement and participation in planning projects, as the projects will affect those living in the communities. World Vision created the Development Program Approach (DPA) to empower the locals to lead the development process and the analysis of their own communities to create plans and programs. The DPA is designed to empower local stakeholders to lead the development process from the start. By working closely with World Vision, local stakeholders carefully analyze the main problems in their communities. World Vision then works with communities to create a plan and manage their joint work towards achieving a shared vision of a project. DPA analysis, planning and decision-making process empowers locals to not only be involved in the programs, but allow their voices to be heard (Our Work: Nicaragua).

**Advocacy NGO: Amnesty International**

The third type of NGO researched is the advocacy category. The NGO studied in this research is Amnesty International. Amnesty International is a democratic movement compiled of detailed research of human rights violations by governments; to take action and prevent the abuse of all human rights. Through intensive research, the organization creates petitions, letters, protests, lobbying, and campaigns to push for action from the governments, key leaders, and
institutions who can make change happen. Nicaragua faces a diverse amount of human rights abuses, such as women’s rights, domestic and sexual violence, the ban on all forms of abortion, police abuse of peaceful protesters, and discrimination against Indigenous people and those of African descent (Nicaragua Overview). According to Amnesty International Report of 2014-2015, the NGO concentrated on raising awareness of the changes made by the Nicaraguan government to the Comprehensive Law against Women. The effectiveness of the law was weakened drastically, as the changes allow women who have filed complaints about domestic violence can now be offered mediation with their attackers in cases involving crimes punishable to than five years’ imprisonment or less, such as bodily harm, the abduction of children, and threats. These changes to the law resulted in women having to face their attackers during the mediation process, and those accused of crimes may be let off rather than punished. The NGO also focused on the rights of peaceful protesters; including protesting on gender inequality, violence against women, and indigenous rights. Protesters in Nicaragua have been stripped of their rights, beaten and abused by police and government officials, and forced to remain quiet (Amnesty International Annual Report 2014/2015).

Unlike the previous NGOs discussed, Amnesty International does not accept funds by governments to investigate and campaign against human rights abuses, as it is independent from any government, political ideology, religion or economic interest. Rather, the organization is funded by membership dues, business donations, and public donations from all over the world. According to the Form 990 of 2013, provided by Charity Navigator, Amnesty International receives revenue through public contributions and grants, program revenue, and investment income. The donations are used to fund high-quality research, provide evidence and legal
analysis to provide information for programs to create change (IRS Form 990 Amnesty International: 2013).

In efforts to provide both transparency and accountability to stakeholders, Amnesty International provides key information and financial statements which reports on the achievements and contributions to human rights impact and change. It explains the work of the NGO to enhance accountability and to provide an understanding of what can be achieved and how these efforts can be reached. Amnesty International aims to involve those who they work for and with wherever possible. However this varies, considering variables such as people’s safety and confidentiality is often a factor in advocacy NGOs (Nicaragua Overview).

Because Amnesty International is an advocacy NGO, it is harder to measure human rights impact and change compared to, for example, an NGO providing direct aid to a country. The impact of an advocacy NGO is not always immediate, and change can take years to become evident (Nicaragua Overview).

Market-based approach NGO: Foundation for Sustainable Development

The fourth and final type of NGO researched is the market-based approach category. The NGO studied in this research is the Foundation for Sustainable Development. The Foundation for Sustainable Development offers programs on small business models, and strategic coaching and consulting towards the successful management of businesses. The organizations also assembles borrowing groups, loan funds, and community banks and cooperatives in rural areas of Nicaragua, along with logistical support for the banks and loans. FSD provides financial resources and solutions to people who create businesses to help them secure employment, schooling and healthcare (Nicaragua at a Glance: Overview). Nicaragua has high levels of
unemployment and underemployment, which leads to economic instability and failure. The Nicaraguan Association of Microfinance Institutions (ASOMIF) is a group of united NGOs that provides community support and credit cooperatives to the poor in Nicaragua. FSD works with ASOMIF to grow the microfinance programs in the country (Nicaragua: A Development Overview).

FSD receives funds through individual contributions, foundations, corporations, grants, and through program fees from the intern and volunteer programs. The financial model of FSD is quite different compared to other NGOs. 100% of all donations and grants given to the organization go directly to community-driven projects in the communities. Revenue from intern and volunteer programs help provide economic resources to the communities FSD works in. The volunteer participants work directly with in-country staff and partner organizations to ensure community participation in programs. Volunteer participants living and working in communities are then responsible to write grant proposals for FSD with the help of community partners. This model allows the needs of donors, volunteers, and communities supported to be heard and acknowledged. The model is extremely attractive to donors, whose funds are used fully for projects towards poverty reduction (Nicaragua at a Glance: Overview).

FSD works with local grassroots NGOs in Nicaragua and other partner organizations to ensure their goals are practical and sustainable in order to minimize external aid dependency. FSD works with leaders and stakeholders living in the communities committed to change and action. The mission of the organization considers community ownership and participation very important. This allows for the community to be represented in the programs (Nicaragua at a Glance: Overview).
Case Study Results

After researching the four NGOs, I analyzed the information and came up with the following results:

For **NGO relationship with donor**, I discovered each NGO studied had a strong relationship with its donors, and provided a synopsis to support this.

For **representation and communication with the poor**, I created the following scale and using my research, categorized each NGO and included a synopsis of my findings for support.

<table>
<thead>
<tr>
<th>High</th>
<th>Thoroughly includes the wants, needs, and voices of clients and communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>Partially includes the wants, needs, and voices of clients and communities</td>
</tr>
<tr>
<td>Low</td>
<td>Does not include the wants, needs, and voices of clients and communities</td>
</tr>
</tbody>
</table>

For **effectiveness of NGO**, I created the following scale and using my research, categorized each NGO and included a synopsis of my findings for support.

<table>
<thead>
<tr>
<th>High</th>
<th>All NGO goals were successfully met, creates sustainable change in the lives of beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>Most NGO goals were met, may create some change</td>
</tr>
<tr>
<td>Low</td>
<td>Less than half NGO goals were met, does not have much impact on the lives of beneficiaries</td>
</tr>
<tr>
<td>NGO</td>
<td>NGO relationship with donor</td>
</tr>
<tr>
<td>----------------------------</td>
<td>----------------------------------------------------</td>
</tr>
<tr>
<td>OxFam</td>
<td>Strong - Concentrates on creating and maintaining strong relationship with donors in effort to secure donations over the long term; reports on data to maintain reliable relationship with donors</td>
</tr>
<tr>
<td>World Vision</td>
<td>Strong - Provides financial statements and annual reports to donors</td>
</tr>
<tr>
<td>Amnesty International</td>
<td>Strong - Provides key information and financial statements that report on the achievements and contributions to human rights impact and change</td>
</tr>
<tr>
<td>Foundation for Sustainable Development</td>
<td>Strong - FSD model is attractive to donors, whose funds are used fully for projects towards poverty reduction</td>
</tr>
</tbody>
</table>
The two variables that I felt were relevant and important from my initial research, in regards to the effectiveness of a NGO, include (1) the funding strategies and relationships with donors of NGOs and (2) the representation and communication with the communities.

After widely researching the four NGOs, OxFam, World Vision, Amnesty International and Foundation of Sustainable Development, I found that my first hypothesis; H1: development NGOs are the most effective and influential in alleviating poverty in Nicaragua, was supported from my research. Development NGOs focus on the underlying causes of poverty and aim to create sustainable, long-term improvements through programs. They seek to construct a lasting impact and improvements in quality of life rather than short-term alleviation of suffering. The multidimensional aspects of poverty requires sustainable development to tackle the issue. Poverty alleviation is a huge task and from my research, I believe that development NGOs are most appropriately suited to deal with this issue.

On the other hand, my second hypothesis was very difficult to find evidence to support it. Although I do believe that my hypothesis; H2: if donors decrease their needs for reports, data and financial statements from NGOs, NGOs will reach both effectiveness and donor expectations, is relevant and related to this research, it is not easily measured. Despite the fact that it may cause extreme stress and take away from other projects, reporting data and financial information is extremely necessary for NGOs to retain their funds, grants, and donors. Through my research, I realized there is a correlation between the NGOs providing donors with data and the reoccurrence of the funds in future years. For instance, NGOs that provided donors with information are more likely to continue receiving funds. This is because donors want to know that their funds are being used properly. NGOs create annual financial reports to inform on the
allocation of their funds. A more applicable hypothesis would have been: I hypothesize that NGOs that have strong, communicative relationships with donors are likely to retain these funds in future years.

My final hypothesis; H3: NGOs that represent, communicate, and work with the local communities in poverty to formulate projects and goals are more effective versus those NGOs that focus more on the wants on the public interest of society, governments and donors, was firmly supported through my research. I found that the NGOs recognized the importance of including local voices in their programs.

**Conclusion**

My findings through research supported the hypothesis that development NGOs are the most effective in alleviating poverty. However, my second hypothesis was mostly rejected and difficult to find evidence to support it. After extensively researching the four NGOs, I learned my final hypothesis was very supported, as the NGOs made it a priority to include their beneficiaries in the programs whenever possible.

It should be noted that the four NGOs researched are all large, internationally recognized organizations with many sectors and multiple programs in each. For this research, I focused on specific programs of each NGO. For example, in my research, although I considered OxFam as the humanitarian category, OxFam also has other programs in other categories, such as development and advocacy. I would have chosen smaller, category focused NGOs, but these organization lacked the public research I needed for my analysis. Future research could explore the history of Nicaragua and the underlying causes of poverty, and how current government and society is related to current economic problems and poverty levels.
Work Cited


