

The amount of financing to non-governmental organizations by donors has increased tremendously over the recent past all over the world. The number of NGOs carrying out various activities has also increased especially in the developing countries. Kenya like other developing countries all over the world has experienced an emergence of many NGOs both local and international in the recent past. All of these NGOs implement various humanitarian and developmental programmes in the country with the major objective of poverty eradication. Whereas the number of NGOs and the amount of financing from donors has continued to grow, these NGOs have continued to be associated with inefficiency, nepotism, corruption, lack of transparency and accountability, these bottlenecks have led to the funds not getting to the intended beneficiaries -the poor. The question that ranges is, what are the factors that affect donor financing? Why has the number of NGOs and the amount of financing continued to increase yet the NGOs have continued to experience several bottlenecks and the targeted poor have remained poor. The objective of this study was to investigate the factors that affect donor financing to NGOs in Kenya. In this respect the study will focus on NGOs in Nairobi. The research design was descriptive and a survey method was employed using structured questionnaires that will be completed by the management staff of the sampled hundred NGOs in Nairobi. The NGOs were selected randomly from the 400 registered NGOs in Nairobi. The data derived was then analyzed using descriptive statistics and presented in form of tables. The main variables of this study are the legal registration, financial systems and accountability, management structure, governance and transparency. These variables were considered in the study as independent variables and analyzed in relation to donor financing which is the dependent variable. A sample of 80 respondents from NGOs participated in the study. Three main factors were sited as the important aspects in NGOs which included NGO accountability, management structure and fundraising techniques. The overall score for each item was calculated to measure the NGOs rating of specific items in the questions on mean score ranging from 1-4 on a four tier scale. The studies showed that majority of the NGOS were not very accountable to their donors and was rated at 2.43 overally from the different aspects of accountability measured in the study. Although the management structure is considered as an important aspect in NGOs growth and progress the study showed many of the NGO management structure moderately effective at a means score of 2.03. Despite this, many NGOs have to conduct fundraising to receive funding from donors and other bodies and expected that this would be fruitful.