



## **Trump's Funding Cut: A Call for Nigerian CSOs to Embrace Internal Resource Mobilization**

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Just a few weeks into his second term, U.S. President Donald Trump issued an executive order to suspend payments for federal grants, including funding to developing nations, for a period of 90 days. Even though there have been two U.S federal court rulings to block the Trump administration's funding freeze, we can't deny the fact that the president's executive order has generated considerable apprehension within global civil society circles, with Nigerian civil society organizations (CSOs) anticipating potential operational disruptions. While international aid has historically served as a critical financial pillar for many Nigerian CSOs, this development presents a pivotal opportunity to strategically reassess reliance on external funding mechanisms and prioritize the cultivation of sustainable domestic resource mobilization strategies. The imperative for Nigerian CSOs to diversify funding streams and fortify financial resilience through locally driven initiatives has now reached unprecedented urgency.

### **The Dependency Dilemma**

For decades, Nigeria's youth-led Civil Society Organizations (CSOs) have relied heavily on international grants to drive initiatives in healthcare, education, governance, and human rights, thus operating on the fringes of donor priorities. Up to 70% of funding for some organizations

comes from foreign donors, including U.S. agencies<sup>1</sup>. While this support has enabled impactful projects, over-reliance on external aid leaves CSOs vulnerable to geopolitical shifts, donor priorities, and conditionalities that may not align with local needs. Trump's order—a reminder of the fragility of foreign funding—threatens program continuity for NGOs already grappling with Nigeria's economic challenges.

### **Risks Associated with External Funding**

External funding, though vital, carries inherent risks:

1. **Volatility in Foreign Funding:** Shifts in donor nations' political landscapes could lead to sudden discontinuation of financial commitments, as exemplified by the 2017 reinstatement and expansion of the Mexico City Policy (commonly termed the Global Gag Rule) under the Trump administration, which precipitated significant reductions in global health financing streams<sup>2</sup>.
2. **Programmatic Sustainability:** Initiatives dependent upon short-term grant funding frequently face operational discontinuation upon the conclusion of financial support, thereby compromising their capacity to generate enduring socioeconomic impact<sup>3</sup>.

### **The Case for Localised Funding**

By prioritizing the development and implementation of domestically driven resource mobilization strategies, Nigerian CSOs can cultivate enhanced institutional resilience, ensure sustained programmatic relevance, and mitigate vulnerabilities associated with overreliance on external funding mechanisms. This strategic realignment not only fosters long-term financial sustainability but also strengthens organizational autonomy, enabling CSOs to tailor initiatives more effectively to local priorities while reducing exposure to the volatility of international donor agendas. Such an approach underscores a commitment to community-centric development paradigms and positions Nigerian civil society as a proactive stakeholder in shaping inclusive, self-sufficient socioeconomic progress aligned with national development imperatives.

### **Strategies for Success**

#### **1. Partner with Homegrown Institutions**

- **Engage Nigerian Philanthropy:** Africa's richest man, Aliko Dangote (net worth: \$11.1 billion)<sup>4</sup>, and the Tony Elumelu Foundation (which has invested \$100 million in empowering over 18,000 African entrepreneurs since 2015)<sup>5</sup>, exemplify homegrown philanthropy.
- **Corporate CSR:** Nigerian companies like MTN, Dangote Group, and Access Bank allocated ₦25 billion (\$33 million) to CSR initiatives in 2022<sup>6</sup>. MTN's Y'ello Star and Access Bank's You thrive are proof of corporate willingness to invest in youth.

#### **2. Leverage Nigeria's Youth Innovative Ecosystem**

- Crowdfunding: The #EndSARS movement proved that Nigerian youth can mobilize millions digitally. Platforms like GoFundMe, Cowrywise, and Flutterwave raised ₦147 million (\$200,000) in just 10 days<sup>7</sup>.
- Social Enterprises: Youth-led ventures like Farmcrowdy (agritech) and Genesys Tech Hub show how blending activism with entrepreneurship creates sustainable revenue.

### 3. The Role of Government

- CSR Policy Implementation: The Companies and Allied Matters Act (CAMA 2020) of Nigeria formally institutionalized a corporate social responsibility (CSR) framework, obligating corporations to meet specified revenue thresholds to allocate resources toward socially impactful initiatives. However, the enforcement mechanisms underpinning this statutory requirement have yet to achieve robust operationalization, resulting in persistent gaps in regulatory oversight, inconsistent compliance among obligated entities, and a discernible misalignment between the policy's aspirational objectives and its practical implementation<sup>8</sup>. Tighter measures should be put in place to curb companies' non-compliance with the CAMA CSR mandate.
- Tax Incentives: To incentivize corporate contributions toward national development objectives, the Fiscal Responsibility Act could be strategically revised to institute a structured tax incentive framework for enterprises that demonstrate exemplary performance in corporate social responsibility (CSR) benchmarks or channel investments into priority sectors, including but not limited to Sustainable Development Goals (SDGs) alignment, climate resilience initiatives, and youth capacity-building programs. Drawing inspiration from established frameworks such as Kenya's Youth Development Fund, this policy adjustment would leverage fiscal policy mechanisms to reward compliance with CSR mandates while fostering private-sector alignment with Nigeria's cross-sectoral developmental priorities.

#### A Call to Action

The suspension of U.S. funding to developing nations underlines a stark reality for Nigerian civil society: dependence on foreign aid is a fragile foundation for transformative change. While international partnerships remain valuable, the path to sustainable impact lies in embracing Nigeria's vast domestic resources—its burgeoning youth population, dynamic private sector, and untapped philanthropic potential. By prioritizing local resource mobilization through innovative crowdfunding, corporate partnerships, and policy-driven tax incentives, CSOs can reclaim agency over their missions and align programs with the nuanced needs of Nigerian communities.

This shift demands collective action. The government must incentivize private-sector collaboration and streamline regulations to foster a culture of giving. Businesses must recognize CSR not as a compliance checkbox but as a strategic investment in national stability. Most

critically, citizens and civil society must champion transparency and accountability to rebuild public trust in grassroots initiatives.

## **Conclusion**

Nigeria's demographic and economic scale- 223 million<sup>9</sup> people and a half-trillion-dollar economy<sup>10</sup> -offers more than enough capital to fuel its development ambitions. The challenge is not scarcity, but strategy. As global aid grows increasingly unreliable, Nigerian CSOs have an unprecedented opportunity to pioneer a self-reliant model of progress- one that transforms local generosity into lasting, homegrown solutions. The time to act is now: the future of Nigerian civil society must be written by Nigerians, for Nigerians.

Let this moment of challenge catalyze a renaissance of local philanthropy to build a civil society that is not just resilient, but authentically Nigerian in vision, resourcefulness, and impact. Donate, collaborate, and advocate. The power to redefine Nigeria's future has always resided within its borders—it's time to unlock it.

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<sup>1</sup> Nigeria Network of NGOs (2021). *Funding Challenges for Nigerian CSOs*

<sup>2</sup> Kaiser Family Foundation (2017). *The Mexico City Policy: An Explainer*

<sup>3</sup> Development Alternatives Inc. (2018). *Donor Dependency in African Civil Society*

<sup>4</sup> Forbes List (2025). *Aliko Dangote's Profile*

<sup>5</sup> Tony Elumelu Foundation (2023). *Impact Report*. (<https://www.tonyelumelufoundation.org/>)

<sup>6</sup> National Bureau of Statistics (2022). *Corporate Social Responsibility in Nigeria*

<sup>7</sup> Al Jazeera (2020). *How #EndSARS Activists Raised Funds*

<sup>8</sup> Corporate Affairs Commission (2020). *CAMA 2020 Overview*

<sup>9</sup> World Bank (2023). *Nigeria Population Data*

<sup>10</sup> International Monetary Fund (2023). *Nigeria GDP Report*