

Abstract:

Faith Based Organizations (FBOs) are increasingly receiving attention as important players in development and an alternative to secular development models. This view is based on the realization that FBOs have a unique way of addressing human needs that endear them to the poor and the marginalized. Most development partners are however still hesitant in financing projects run by FBOs. This caution is rooted in the historical relationship between state and religion arising from the separation of the secular and the sacred. This separation resulted in the development of policies unfavorable to public funding of religious initiatives in many countries. Consequently, FBOs have to compete with secular organizations for project financing chances. Traditionally FBOs have played an important role in charity and social development through their projects. Some of these projects have been successful while others have stalled or failed to start. Most development partners and religious organizations identify project financing as one of the key challenges facing FBOs in their development initiatives. This study sought to identify faith and other related factors affecting the financing of projects managed by FBOs in Malindi, Kilifi County with a view of enhancing the involvement of FBOs in development. The focus was on Christian and Muslim FBOs and Congregations operating projects in Malindi District. The research design used in the study was descriptive survey involving 220 respondents from FBOs and key informants from finance and government institutions in Malindi District. Primary data was collected using questionnaires by the researcher with the help of field assistants. Data analysis was by inferential statistics and presented in tables form. The study findings established that legal concerns, accountability issues and project sustainability concerns have a major impact on the financing of projects by FBOs in Malindi district, Kilifi County. The analysis on the effect of faith related factors and proselytism although not conclusive, suggested that these factors have no influence on project financing in FBOs in Malindi. Further investigation was recommended to establish the effect of faith related factors and proselytism in FBOs project financing in Malindi district. The study recommendations included the formulation of policy guidelines by FBOs in Malindi on their faith values, beliefs and principles and communicate the same to their stakeholders. Formation of local forums for sharing information and experiences was recommended as the way forward in increasing the FBOs understanding and competence in emergent legal issues. Further, the study recommended funding institutions in Malindi district to revise their policies on non eligibility of FBOs for funding based on faith related factors including proselytism since these factors were not confirmed to be significant in FBOs project funding. On accountability concerns the study recommended training for FBOs staff on accountability measures and strategies since most of the FBOs surveyed were congregation based. The establishment of income generating activities, fund development and diversification were recommended as the way forward in establishing sustainability strategies for FBOs in Malindi district. The study suggested further research on the influence of faith related factors including proselytism on FBOs project financing in Malindi. Also further research is needed on how FBOs in Malindi district can improve their financial base and sustainability without over reliance on external funding