

AI Adoption for NGOs and Nonprofits

Transparency, Political Risk, and Long-Term Sustainability

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A strategic overview of artificial intelligence adoption for nonprofit and civil society organizations.

Abstract

Artificial intelligence is rapidly becoming core infrastructure for organizations worldwide. For NGOs and nonprofit organizations, however, adopting AI is not only a technological decision but also an ethical and governance challenge.

This paper examines the transparency, privacy, and political risks associated with widely used AI systems, including ChatGPT and other large language models. It proposes a governance framework and a hybrid AI strategy that allows nonprofits to benefit from AI while protecting sensitive data and organizational independence.

Contents

1	Executive Summary	3
2	AI Adoption in the Nonprofit Sector	3
3	Transparency Challenges	3
4	Data Privacy Risks	4
5	Limitations of ChatGPT	4
5.1	Hallucinations	4
5.2	Privacy Concerns	4
5.3	Bias and Ethical Risks	4
6	AI Tools Comparison	4
7	Recommended AI Strategy	4
7.1	Tier 1: Public Tasks	5
7.2	Tier 2: Internal Work	5
7.3	Tier 3: Sensitive Programs	5
8	Governance Recommendations	5
9	Conclusion	5

1 Executive Summary

Artificial intelligence (AI) tools such as ChatGPT, Claude, and Gemini are increasingly used by nonprofits for writing assistance, translation, research, and administrative automation.

However, these tools introduce several risks:

- Lack of transparency in proprietary models
- Data privacy concerns
- Algorithmic bias and hallucinated outputs
- Dependency on corporate infrastructure

This paper recommends that nonprofits adopt a hybrid AI strategy combining commercial tools for low-risk tasks with privacy-focused or self-hosted AI solutions for sensitive work.

2 AI Adoption in the Nonprofit Sector

AI adoption among nonprofits has increased rapidly since 2023. Organizations use AI primarily for operational efficiency, fundraising support, and communications.

Common use cases include:

- Grant writing and fundraising communication
- Translation and accessibility
- Data analysis
- Policy research
- Internal documentation

Despite widespread adoption, many nonprofits lack formal AI governance policies.

3 Transparency Challenges

Most major AI models are proprietary systems. Their training data and internal model architecture are not publicly accessible.

This creates challenges for nonprofits that must maintain accountability to donors, beneficiaries, and regulators.

Without transparency, organizations cannot easily determine:

- whether training data includes biased sources
- how outputs are generated
- whether user data is stored or reused

4 Data Privacy Risks

Many nonprofits work with highly sensitive data such as:

- donor records
- refugee or humanitarian case information
- safeguarding documentation
- medical or legal information

Entering such information into cloud-based AI services may expose organizations to privacy risks or regulatory violations.

5 Limitations of ChatGPT

ChatGPT is a powerful writing and research assistant, but nonprofits should be aware of several limitations.

5.1 Hallucinations

Large language models sometimes generate plausible but incorrect information.

5.2 Privacy Concerns

User prompts may be processed on external servers, meaning organizations lose full control over their data environment.

5.3 Bias and Ethical Risks

AI models can reproduce biases present in their training data.

6 AI Tools Comparison

AI Service	Type	Transparency	Free Tier	NGO Safety Assessment
ChatGPT	Closed model	Low	Limited	Medium – avoid sensitive data
Claude	Closed model	Low	Limited	Medium
Gemini	Closed model	Low	Limited	Medium
Lumo	Privacy focused	Medium	Yes	High
Mistral Le Chat	Partially open	Medium	Yes	High
h2oGPT	Open source	High	Free	Very High (self-hosted)
Local LLMs (Llama / Mistral)	Open weights	High	Free	Very High

7 Recommended AI Strategy

NGOs should adopt a layered AI strategy:

7.1 Tier 1: Public Tasks

Use commercial AI tools for:

- brainstorming
- drafting generic content
- summarizing public information

7.2 Tier 2: Internal Work

Use privacy-focused tools for:

- internal reports
- donor communication
- strategic planning

7.3 Tier 3: Sensitive Programs

Use self-hosted AI solutions when handling:

- refugee data
- medical information
- legal documentation
- safeguarding records

8 Governance Recommendations

Organizations adopting AI should establish:

- AI usage policies
- data classification rules
- human oversight of AI outputs
- vendor risk assessments
- transparency about AI use

9 Conclusion

Artificial intelligence will increasingly shape the operational infrastructure of civil society organizations.

Responsible adoption requires balancing innovation with transparency, privacy, and long-term independence from centralized technology providers.

A hybrid approach combining commercial AI with open and privacy-focused systems offers the most sustainable path for nonprofits.

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