Fast Forward: The Changing Role of UK-based INGOs
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Fast Forward: The Changing Role of UK-based INGOs

In a rapidly changing global context, all who act in the name of international development must regularly ask themselves: Are we doing the right thing? Are we needed? Are we doing the best we can do with the resources we have? Is the way we work enhancing progress to a better, more just world for all? These questions of purpose, value and utility are particularly pertinent in 2015, at a time of major shifts in the international operating environment.

The paper that follows is the fruit of a concentrated process initiated in February 2015. Bond convened views from its diverse membership of international non-governmental organisations (INGOs) and from other development actors in order to share ideas about civil society over the next ten years. Together we asked the question: What will be needed from UK-based INGOs and donors to respond to changing needs in this new world?

Our dialogue began with the publication of a provocation paper, Tomorrow’s World, which analysed the drivers of change and major trends that will shape our world in 2025. Sixty-nine Bond members and others reacted to this through an online survey. The ideas were taken further at a workshop on 24 March with 58 representatives from NGOs, academe and DFID. Bond drew on these different inputs and insights from other writers to develop the paper that follows.

Fast Forward argues that British INGOs’ that British INGOs have a crucial continuing role to play in promoting global development and justice despite a fast-changing international context – but to do this they must change their strategies and approaches.

It explores key trends creating drivers for change which challenge established ways of working and business as usual. Drawing on the diverse and rich heritage of UK-based INGOs’ contribution to development, and their ability to innovate over the decades, it sets out some of the directions in which they may need to move to respond to these future trends.

What then are the implications for UK-based INGOs if they are to be relevant? We argue that UK-based INGOs must redouble their focus on development outcomes, and adapt. This will require new ways of working, individually and with a range of partners. It will require giving away power, changing to supporting roles, being responsive in new ways. It will require brave risk-taking as innovative solutions are developed with local actors to address the challenges of conflict, disaster and the modern world. And finally, it will require a re-engineered and mature relationship with donors such as DFID, to ensure that resources flow in support of sustainable change.

The audience for this paper is a dual one. We invite UK-based INGOs to rise to the challenge of reinventing their role with bold strategic leadership. We invite DFID and other donors to work with us to create a funding and policy relationship that values the role of INGOs as actors for sustainable change. Together we can undertake a journey of transformation that builds on the collective strengths of the UK development sector to create a better future for people and planet.

Ben Jackson, Chief Executive, Bond

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1. Introduction

Many Bond members are currently focused on doing all they can to ensure that 2015 is a watershed year for international development. Globally, a set of new, potentially ground-shifting, Sustainable Development Goals will replace the Millennium Development Goals after the UN General Assembly in September. If world leaders get this right, the goals could commit the world community to a new strategy to address both the substantial unfinished agenda of development from the last few decades – in particular, the ending of extreme poverty – together with a new, wider and deeper agenda reflecting the profound economic and political global shifts of the last fifteen years.

Before that, in June, G7 leaders meet in Germany and will need to set the tone for the year to come. This will be followed in July by the Third Financing for Development conference in Addis Ababa where agreement will be sought on a new plan to finance this aspiration, without which the goals could be empty words. It will need to strike a balance between sustaining existing methods of financing development – notably through aid – and introducing a wider mix of sources. And in Paris in December during the COP21, the world will attempt to address one of the most fundamental planetary boundaries threatening sustainable development by securing a new global agreement on greenhouse gas emission targets. This will be followed by the WTO Ministerial Conference on trade rules.

Civil societya has played a critical role over many years in shifting political will to put these issues on the global agenda. And for now it is working hard to make sure that world leaders agree the ambitious shifts we need at this historic series of events during the year. But civil society also needs to take some time to reflect on how the hoped-for new deals and goals, and the underlying global trends they reflect, also affect their own longer-term strategies and their place in the shifting world order.

On top of this, in the UK there is a new government following elections on 7 May. It is clear that this is likely to herald some significant review of the UK’s approach to aid and development, and indeed potentially its wider engagement with the rest of the world. With the International Development Act (March 2015) now requiring any UK government to meet the UN target to spend 0.7% of gross national income (GNI) on international development each year, there will perhaps be more public focus on how aid is best spent – not how much is spent. UK-based international non-governmental organisations (INGOs), themselves part of civil society here in the UK and internationally, cannot expect that the effectiveness of aid spent via INGOs should be immune from this process; and it is a debate that we should welcome.

Of particular relevance here is that DFID has initiated a review of its thinking about its relationship with civil society and how DFID should be working with UK-based INGOs into the future.

Civil society needs to take some time to reflect on how the hoped-for new deals and goals, and the underlying global trends they reflect, also affect their own longer-term strategies and their place in the shifting world order.

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a Throughout this paper the term “civil society” has been used to indicate the aggregate of non-governmental organisations and institutions that manifest the interests and will of citizens.
DFID already invests significantly in INGOs as a means of delivering its development goals. For the past three years, DFID has delivered approximately 18% of its bilateral aid budget through INGOs.

According to figures from the International Development Select Committee, in 2013-14 DFID increased the value of its spending through INGOs by a third to take it to £1 billion. In practice, this figure is likely to underestimate the total figure channelled through INGOs, since it excludes humanitarian spending. Programme Partnership Arrangements (PPAs) account for approximately £120 million per annum.¹

Of course, ministers in the new government will determine the direction. But DFID is expected to provide an incoming government with analysis and options for them to make informed choices.

Bond therefore worked with its members and the wider development community to gather views, analysis and ideas to inform this review. It began by setting out a picture of the future context ten years from now, in its paper Tomorrow's World.² The implications for civil society and UK-based INGOs in particular were explored, serving as a challenge to which Bond members responded in an online survey.³

The analysis of how the 69 respondents saw their changed role in 2025 informed a workshop in March 2015.⁴ This was attended by nearly 60 UK-based INGO participants, donors, researchers and others, which teased out further what might be distinctive about the value UK-based INGOs could add to the development process over the next decade. Bond also worked with The Guardian on an eight part mini-series and a live Q&A based on the megatrends Bond had highlighted. Many other contributions helped to inform this work, including Duncan Green’s paper⁵ and analysis from the PPA Learning Group.

We hope this report reflects well all this rich content and debate. It does not attempt to be a precise “summary” nor a formally agreed position of all Bond members. Nor is it likely to be the final contribution of Bond-convened input to DFID’s process, as we anticipate this is likely to be resumed with the new government before any firm decisions are taken. But we do hope it will provide a good overview of UK-based INGOs’ views, together with a clear sense of the main changes that both UK-based INGOs and donors such as DFID will need to make to ensure their contribution to development is needed, valuable and effective.

This report first looks at the contributions of UK-based INGOs in addressing global challenges to do with crises, development and the environment. It then describes seven megatrends affecting the future of crises, development and the environment. The report then identifies ten strategies UK-based INGOs must adopt to remain relevant and valuable in this rapidly changing context. Finally, the report explores how donors and UK-based INGOs can develop a new partnership, before suggesting a way forward.
2. UK-based INGOs’ contribution

Before we look at the challenges posed by the rapidly changing external environment and what this will mean for UK-based INGOs’ future role, it is worth examining the current state of play, and the record of UK-based INGOs in contributing to development.

Over 450 organisations are members of Bond, and over 5000 charities registered with the UK Charity Commission claim to do some work internationally. Spending nearly £3.5 billion in 2013/14, the UK has one of the most developed and diverse INGO sectors.

Indeed, Bond is by far the biggest membership body for international development organisations in the world, far bigger than its equivalent in the US and other European countries of comparable size, such as France, Germany and Italy, and boasts a greater diversity of members than other equivalents. The sector itself sits within a wider “ecosystem” that has been likened to a development “Silicon Valley”.

But rather than a valley, there exists a “golden triangle” from Cambridge to Brighton and Bristol, encompassing London and Oxford, and containing the largest clustering of academic institutes, INGOs, social enterprises and private consulting firms focussed on poverty reduction and humanitarian response outside key UN centres like New York or Geneva.

With other centres of development excellence all over the UK, LinkedIn estimates that almost 40,000 people work, study or research development in the UK (excludes UK staff working overseas, shop managers and those not registered on LinkedIn). About 20,000 of them are employed by an INGO operating out of one of the four countries of the UK.

Similar to the experience of the bio-technology sector in the UK, this clustering of people and organisations produces ideas, thought-leaders and most importantly learning and innovation on a scale that would not exist without it.

There is little doubt the UK sector punches well above its weight internationally with 5 out of the 11 largest INGOs having their origins in the UK. Why this should be the case is perhaps the subject of a whole other report. But what is clear is that an important part of this strength is the diverse heritage of values and motivations that have driven the setting up and development of the huge range of UK-based INGOs.

The UK sector punches well above its weight internationally with 5 out of the 11 largest INGOs having their origins in the UK.

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6 Bond members are non-governmental, non-partisan, non-profit distributing organisations that sign up to shared values through the Bond charter. Available at www.bond.org.uk/about-us/charter
Contribution 1 ► Reflecting the values of British society

When we consider the value of civil society we need to weigh not only its practical effectiveness as a delivery mechanism for development but also the way in which UK-based INGOs reflect and enshrine a range of values which a huge number of British people hold very dear. For the UK public, INGOs are the most trusted provider of UK overseas development assistance. And UK-based INGOs themselves have a responsibility not to forget this, and to honour the trust that is placed in them, if they are not to go the way of other once-respected institutions now fallen in the public’s eye.

UK-based INGOs can help shape public attitudes and beliefs – but they are also the reflections and products of countless millions of people who built and maintain them. These values are reflected in the £1.1 billion donated just through the Disasters and Emergency Committee (DEC), which, since 1963, has run over 60 appeals to save millions of lives and rebuild communities devastated by disasters.

Most of the largest appeals ranging from the Famine in East Africa Appeal with £79 million and the Floods in Pakistan Appeal with £71 million, to the Typhoon in the Philippines Appeal with £97 million, came after the 2008 banking crisis and this generosity withstood recession and austerity at home.

But it is not only when disaster strikes. The UK public also delivers record-breaking amounts to Comic Relief’s Red Nose Day and Sport Relief every year with over £1 billion raised over the past 30 years. This reflects a profound sense of solidarity with people suffering global injustice. A long heritage of strong British campaign movements on international issues exists, from anti-slavery to the British Anti-Apartheid Movement’s leading international role; from the Jubilee Debt Campaign and the Campaign to Ban Landmines, to the campaign to stem the flow of conflict diamonds from Africa.

For the UK public, INGOs are the most trusted provider of UK overseas development assistance.

Contribution 2 ► Solidarity in action

The instinct for solidarity has also been projected onto a wide array of NGO initiatives. For example, the Fairtrade movement drew on earlier campaigning from the “frontline states” of Southern Africa to play a leading role in shaping the £4 billion trade in Fairtrade-marked goods internationally, of which the UK is the leading national market.

Many UK-based INGOs are also at the forefront of developing initiatives that help to develop and secure employment, while ensuring that this is done in an equitable and transparent way. Organisations such as the Ethical Trading Initiative are helping to tackle the many complex questions around supply chains and what steps companies should take to trade ethically, in order to make a positive difference to workers’ lives.

Recognising the global nature of development challenges and the importance of sources of development finance other than aid, NGOs such as ActionAid, Christian Aid and War on Want have campaigned for tax justice, with a particular focus on the activities of UK-registered companies and regulation by the UK government.

A wider range of expertise has been provided by the trade union movement – a remarkable reflection of international trade union solidarity merged into common cause with the wider UK-based INGO movement. Despite pressures on the funds of trade unions, they continue to provide a crucial role within the wider development movement with examples like the TUC and Unison showing solidarity for workers internationally and fighting inequality.

Another form of solidarity has been promoted through work on global citizenship, linking children in developing countries with those in the UK through initiatives such as Connecting Classrooms run by the British Council.
Contribution 3 ➤ Putting people at the heart of development

For many, development NGOs reflect a desire “to do my bit”. Many work alongside others to share, learn skills and build trust and human relationships across the world. One manifestation of this is the strong tradition of volunteering led by NGOs. VSO, and schemes such as the government-backed International Citizen Service, which offers 18 to 25 year olds a once-in-a-lifetime opportunity to experience international development work as part of a properly structured programme, help build the future leaders of development. Helen Clark, Administrator of the United Nations Development Program has stated that, “Despite the overwhelming evidence of the contribution of volunteers to development, they often remain at the margins of the development debate”.

Another manifestation of this instinct for practical, skilled support is the way in which so many professions have an international development “wing” through which they can express their support for development. There exists an amazing array of Bond members representing different professions and trades from the well-known WaterAid, War Child (supported by the recording industry) and MAG (veteran mine cleaners) to the lesser known Bees for Development, Advocates for International Development and Engineers Without Borders.

Despite the overwhelming evidence of the contribution of volunteers to development, they often remain at the margins of the development debate.

Contribution 4 ➤ Defending and securing rights

This is also linked to a strong tradition for supporting and defending human rights – whether from being the birthplace of Amnesty International (and still home to its International Secretariat) to a whole plethora of more specialist international human rights organisations like Article 19, defending freedom of expression and information. The intersectionality of ideas and beliefs between “human rights” and “development” NGOs has been an important trend in recent years. This serves to put rights-based approaches at the heart of humanitarian and development work.

Initiatives such as Plan International’s Because I’m a Girl are supporting millions of girls to get the education, skills and support they need to transform their lives and the world around them. Through Bond’s Disability and Development Group, Bond members like ADD International, Sense and SightSavers have been active in putting the rights of disabled people at the heart of international development thinking, challenging the prevailing priorities, and ensuring that people with disabilities are not denied opportunities or a voice.
**Contribution 5 ➤ Environment and sustainability**

Another foundation for civil society has been the strong strand of public concern for the environment and more sustainable stewardship of the earth. This concern has always had a strong internationalist element in the UK, with cross-fertilisation with traditional development NGOs. The depth of this collaboration is reflected in a major climate coalition campaign jointly led by both “environment” and “development” NGOs like CAFOD, Christian Aid and Friends of the Earth, many of whom see themselves as pro “sustainable development”.

It is easy to take this for granted – but the tensions between the two movements have been uneasy in other contexts.

Parts of the business community have also increasingly embraced sustainable development drivers, not only in corporate social responsibility but in core business practice. Many also express this stewardship through a range of business-based NGO initiatives and foundations, as well as progressive partnerships with the not-for-profit sector, such as Marks and Spencers’ work with WWF.

Larger NGOs such as MercyCorps, Oxfam, Care and Save the Children have well-established corporate partnerships that support local economic growth as part of sustainable development. Meanwhile some NGOs focus their policy and campaigning work on curtailing the harmful approaches and practices of businesses, such as Global Justice Now and Transparency International. Other NGOs work on a social enterprise basis to address aspects of sustainable development, such as SolarAid’s promotion of renewable energy.

Organisations such as Business Fights Poverty are at the frontier of a whole new approach to international development – one that sees poor people as agents of their own development, and that focuses on what poor people themselves see as their best strategy for escaping poverty: getting a job or growing a business.

Business-based trusts are deepening their engagement, such as the ERM Foundation, which supports environmental initiatives and activities around the world with pro bono and fundraising support, and the Vitol Foundation which supports many UK-based INGOs in the areas of health, education and livelihoods.
2. UK-based INGOs’ contribution

Contribution 6 ➤ UK’s nations, regions and faiths

The development NGO movement in the UK is not only a national, centralised presence. It reflects and supports a vibrant plethora of local and regional initiatives across the UK, and across its four nations, each shaped by these national and local traditions. For example, Wales was the first Fair Trade Nation and Scotland provides £9 million to Malawi and other partner countries through its International Development Fund. The NGO community in these nations also strongly reflects diverse beliefs, values and heritage.

Faith communities have a long tradition of supporting international development. In particular, the different denominations of the Christian faith in the UK have significant representation in the international development landscape. Roman Catholic and other protestant denominations unite via the ecumenical Christian Aid, but other NGOs have grown out of the Anglican, Methodist and Baptist traditions. Organisations such as World Vision, Tearfund and CAFOD are amongst the UK-based INGOs with a vast hinterland of supporters.

But the UK is also home to strong faith-based anti-poverty charities from the Jewish, Baha’i and Sikh religions. Finally, of notable mention is the Muslim community: Islamic Relief Worldwide, founded as recently as 1984, and Muslim Aid, have grown rapidly to become some of the largest and most important players in the UK development sector. The organisations that make up the Muslim Charities Forum have a collective annual income of £150 million and work in over 70 countries. The Muslim Charities Forum refers to the way that ‘Muslim charities working in the UK and abroad “showcase” what is best about British Muslim society.’

Similarly, there are increasingly strong contributions to development coming from the UK’s myriad diaspora communities and organisations that represent them. UK diaspora organisations offer grassroots links between Britain and a huge array of countries where these communities have their heritage, as well as extensive networks on both sides. Organisations such as AFFORD and the British Asian Trust, and many of the micro-organisations that make up the diaspora network, are now important participants in the UK development sector as well as the fabric of wider UK society.

Contribution 7 ➤ Coordination and coherence

Despite its diversity, the development NGO community is one marked by strong coordination and coherence. This doesn’t mean that there aren’t arguments, duplications of effort, or failures to communicate, but we do have a strong and proud tradition of highly effective collaboration which has taken much work to achieve. The sector achieves the most when it comes together as a network or a coalition.

Bond facilitates the power of the collective on a range of campaigns, most recently #TurnUpSaveLives to enshrine 0.7% into legislation. Bond itself was set up by its own members as a way to bring the sector together. Since our establishment we have worked to connect and strengthen our members, and to enable the sector to be more than a sum of its parts. The Bond Annual Conference is now the largest gathering of international development experts anywhere in Europe, with nearly a thousand attendees in 2014.
UK-based INGOs' direct contribution to development
Building on these foundations, UK-based INGOs have made substantial contributions across a whole range of international development issues:

Contribution 8 ► Humanitarian response

UK-based INGOs are regularly at the forefront on humanitarian response work, including not only delivering assistance but in setting standards and innovating. The members of the UK's Disasters Emergency Committee and the Start Network include global leaders in this field, capable of rapid and large-scale response. UK-based INGOs include specialists working with different demographic groups such as Save the Children and HelpAge, have specific competencies and play leadership roles in often under-funded and neglected areas of response such as education and protection in emergencies.

Innovative emergency interventions such as cash transfers have developed through collaboration between UK-based INGOs and researchers, often with the support of DFID.

Contribution 9 ► Long-term development

The value of the contribution of UK-based INGOs to long-term development is impossible to quantify, but it is shown as significant even if measured only through evaluations of individual organisations’ work. In the area of girls’ education, 3.5 million girls in Ghana, Malawi, Tanzania, Zambia and Zimbabwe have benefitted from Camfed’s innovative education programme since 1993.25 On reproductive health, Marie Stopes International, through their work in 2014, averted 16,100 maternal deaths and supported 18.1 million women to use contraception.26

A partnership between CARE UK, Plan UK and Barclays since 2009 has enabled over 700,000 people to access informal financial services and to manage their money better.27 UK-based INGOs have also played key roles in harder-to-measure areas of work. Oxfam’s work on women’s empowerment, for example, has traced improvements in community perceptions of women’s rights and in women’s roles in community influencing, while also generating important learning on what doesn’t work in these contexts.28
**Contribution 10 ► Advocacy to tackle the root causes of poverty**

Influencing policy change through advocacy and campaigning, both at international levels and through support to local civil society advocacy efforts, is a core area of work for many UK-based INGOs. Working collaboratively, the Make Poverty History campaign secured the promise of extra financial resources for developing countries through increased aid and deeper debt cancellation, while also raising public awareness of poverty. The more recent IF Campaign in 2013 was successful in securing policy commitments from the G8 on tax rules and transparency, and in securing increased nutrition funding pledges and aid commitments. Organisations such as Development Initiatives and Publish What You Fund have also led thematic advocacy work that has been effective in increasing aid transparency.

At a national level, UK-based INGOs support and complement local NGOs to achieve significant policy changes. Global Witness, for example, helped bring effective and transformative change through its work with local NGOs on making the forestry sector more transparent and accountable in seven countries. And ADD International works with disabled people’s organisations to promote greater inclusion and amplify the voice of disabled people, leading to school authorities in Uganda including and supporting students with albinism.

The Make Poverty History campaign secured the promise of extra financial resources for developing countries through increased aid and deeper debt cancellation, while also raising public awareness of poverty.

**Contribution 11 ► Capacity development of Southern NGOs**

UK-based INGOs’ strengths and capacities are widely used to complement and help develop those of NGOs in developing countries. Most INGOs take a values-based approach to promoting local civil society, seeing this as an intrinsic aspect of “development”. In addition, locally-led development increases legitimacy, effectiveness and value-for-money.

In Sri Lanka, local partners of the Minority Rights Group benefitted vastly from working with an international partner who could expose them to international norms and standards on rights and to improved organisational systems and skills. PeaceDirect’s work promotes and strengthens locally-led peacebuilding and facilitates exchange across countries, and has created a global network of local peacebuilding organisations. Meanwhile the Start Network is pioneering large-scale work on building the capacity of local organisations to determine and deliver humanitarian preparedness and response, bringing together six leading humanitarian agencies to work in five disaster-prone countries.

UK-based INGOs’ strengths and capacities are widely used to complement and help develop those of NGOs in developing countries.
3. Challenges requiring adaptation from UK-based INGOs

The strengths and track record explored above are a powerful testament to UK-based INGOs’ contribution to development. But over the next decade we expect to see profound change in the context in which we work which will test the fundamental assumptions on which the development sector is built. Bond’s paper, Tomorrow’s World, explored seven “megatrends”. These are set out below with a brief explanation of their potential implications for civil society.

**Megatrend 1 ► Climate change and planetary boundaries**

As a community of UK-based INGOs, we will increasingly need to find ways to integrate environmental considerations across the full range of our activities. The time has long gone when we can leave environmental issues to those we see as “environmentalists”.

However we craft a shared understanding of our distinctive roles as UK-based INGOs, we must collectively secure our ability to support adaptation and climate-induced natural disaster relief, including through rapid deployment of resources, and to add weight to climate mitigation efforts at all levels.

**Megatrend 2 ► Demographic shifts**

The full implications of demographic shifts have not yet entered the collective consciousness of the international development community. As UK-based INGOs, we will need to make choices about our engagement with younger people and older people, and those choices will decide whether our structures merely respond to, or mirror and reflect, the shifting demographics.
3. Challenges requiring adaptation from UK-based INGOs

Megatrend 3 ➤ Urbanisation

Urbanisation brings city leaders to the fore as change agents. As UK-based INGOs, we will need collectively to amplify our skills at working in and advocating for city-scale participation, change and innovation. But we must not allow processes of rural development, vulnerability and engagement to fall by our, or policymakers, wayside.

Megatrend 4 ➤ Natural resource scarcity

International development NGOs will need to find ways to remain effective in the face of turbulence generated by resource scarcity and high commodity prices. Scarcity will also change advocacy: one response that potentially chimes well with a universal approach to development is to focus on “fair shares”.29

Given the transnational impacts of scarcity, there may be increasing demands for international advocacy on so-called “resource nationalism” as well as on the business models, legal agreements and wider governance approaches associated with natural resource sectors.

But scarcity combined with pressing demand could further restrict the advocacy space for civil society groups campaigning on the negative social and environmental impacts of resource extraction and land grabs.

Ensuring citizen voices are enabled to hold governments to account through transparency and accountability mechanisms will need a new sense of solidarity between civil society groups around the world whose activities are being reshaped by geopolitical shifts.

Megatrend 5 ➤ Geopolitical shifts

Countries like Brazil, India and China are emerging as new donors and increasingly funding other developing countries. With the shift of economic and geopolitical power from West and North to East and South we will see a move away from the established order to a multipolar world which will raise new questions over the role of Northern NGOs.

UK-based INGOs will need to work with their counterparts in the global South to ensure that the governments and multinational corporations of “emerging” countries are subject to international and transnational scrutiny by civil society actors.

Ensuring citizen voices are enabled to hold governments to account through transparency and accountability mechanisms will need a new sense of solidarity between civil society groups around the world whose activities are being reshaped by geopolitical shifts.
Megatrend 6 ➩ Processes of technological transformation and innovation

Technology is already transforming the “intermediary” role of UK-based INGOs. We will need to engage with the transformative potential of technological innovation, bringing our distinctive capabilities to unusual collaborations that can help deliver the best development outcomes.

A World Economic Forum report argues that “organizations and groups that can anticipate and harness changing social uses of technology for meaningful engagement with societal challenges will be more resilient in the future under almost all scenarios considered”. Innovation – both in its grassroots social and its often high-tech commercialisable forms – is now understood as a development imperative.

Dr Devi Shetty’s model of low-cost cardiac surgery in India shows the way to new forms of so-called “frugal innovation”, just as Grameenphone in Bangladesh awoke a generation to the potential for information and communication technology, blended with civic purpose and enterprise, to connect poor people in rural areas with markets.

Megatrend 7 ➩ Inequality

It is increasingly a strand of thought that every nation is “developing”, and that inequality shows sufficient potential as a politically-actionable agenda that it might gradually displace poverty eradication as the overall goal of “development”. Already the new Sustainable Development Goals Framework transcends old “North-South” barriers as the goals apply to all countries rather than just “developing” ones.

Civil society groups around the world will have important roles to play in both exposing and bridging the gaps caused by unequal growth. Both roles need to be recognised and valued to maximise the chances of rising to twenty-first century development challenges.

The 85 richest individuals have the same wealth as the bottom half of the world’s population.
4. Implications of changes for UK-based INGOs

It is clear that the world is changing rapidly and possibly with more profound implications for development than at any time in the last few decades. The megatrends described above have the potential to significantly alter the global and regional distribution of conflict, poverty, inequality and need. The language and concepts like development itself need updating to relate to these emerging realities. Whatever the future may hold, we are likely to see a fundamental reconfiguration of the respective roles and responsibilities of government, the private sector and civil society.

For UK-based INGOs, this will challenge long-established ways of working and require strategic leadership, resources and commitment. Will they adapt to be fit for purpose? We identify three principal areas of challenge for UK-based INGOs.

The nature of the needs is changing

The traditional defining raison d’être of many UK-based INGOs tackling the problems facing large numbers of (mainly rural) poor people living in very poor countries will need to change, as the distribution and nature of poverty and development changes.

Key factors include: a decline in the number of low-income countries, along with a corresponding rise in middle-income countries; the predominance of fragile states in the low-income group; the growing importance of global public goods within the development debate; growing interdependence in a globalised economy characterised by distributed global value chains; the rise in size and frequency of shocks to the global economy; and the growth of transnational connections and knowledge networks.

Increasing levels of inequality within countries and across countries are already rising up the agenda of UK-based INGOs, as is the challenge of the “North in the South, and the South in the North”: extreme poverty and extreme wealth are increasingly found side-by-side in the fast growing emerging economies as much as the austerity-hit “advanced” industrialised countries.

The gap between the rich and poor has opened up unprecedented inequality (for example, Oxfam’s report indicates that in 2016 the wealth of the richest 1% of the population will outstrip that of the other 99%). This also poses challenges for the traditional narratives used by INGOs, risking a backlash from media commentators and politicians who rile against UK-based INGOs voicing concern about poverty at home when they should stick to tackling “real” poverty overseas.

These changing patterns of need beg some important questions of UK-based INGOs about where and how they work to reach those living in poverty and suffering, now that “those living in poor countries” is no longer a sufficient proxy. How will they reach the emerging groups in fragile states that need help, but also those living under the radar in the huge conurbations of middle-income countries?

In addition to changing patterns of poverty and inequality, the problems themselves are increasingly complex and interconnected. While the solutions to straightforward development issues may be more commonly understood, securing sustainable change in unstable environments is recognised as being more problematic, as much about changing attitudes and norms as driving policy change and delivering services. It is also highly context-specific, necessitating a good understanding of power dynamics and the local political economy in order to access levers of change.
The “doing development differently” agenda is just the latest initiative emphasising the need to search for solutions based on local capacities and experimentation.34 Another dimension of complexity relates to crises, including conflicts and natural disasters, which are becoming more frequent and longer in duration. Addressing global challenges such as climate change will be complicated, requiring political and technical action. How will UK-based INGOs join forces with other actors, across sectors, to respond to multifaceted problems in an adaptive way? How will they move on from a “service delivery” mode of operation to systems thinking, collaboration and innovation in response to complex problems?

The principle of universality represents a permanent logical shift in thinking and a challenge for global responses to the old paradigm of the South with the problems, the North with the answers. Universal needs include “global public goods” – such as climate adaptations, conflict prevention and containment of epidemics – which affect all, but the poor disproportionately.

The problems of more developed economies are beginning to afflict the newly prosperous: traffic accidents, obesity, diabetes and dementia. How will UK-based INGOs move on from the old issues to the current issues afflicting modern societies, irrespective of geographical boundaries? How will they break out of an “INGO silo” to join up domestic and international issues and engage in the “beyond aid” issues such as tax, trade and migration that may have greater leverage on systems change than traditional service approaches?

The principle of universality represents a permanent logical shift in thinking and a challenge for global responses to the old paradigm of the South with the problems, the North with the answers.

Legitimacy is being challenged

UK-based INGOs are not immune from the suspicion with which the public increasingly views public institutions. A context of austerity, in the UK and in many European countries, fosters a public view that charity should begin at home.

Securing better public understanding of aid and development is a key element driving the legitimacy of UK-based INGOs with their home audience. But the legitimacy of Northern actors to intervene in Southern spaces must also be addressed: on whose behalf do they claim to act, and who has bestowed them with that power?

How can UK-based INGOs be scrupulous in avoiding inadvertently competing with local actors? How should UK-based INGOs reconnect with their constituencies and with wider grass-roots movements that stem more directly from people’s concerns? How can demonstrating effectiveness, prudent financial stewardship and transparency support their claims to legitimacy?

Civil society operating space is becoming constrained in many settings, with governments such as Ethiopia and China restricting freedom of expression and freedom to campaign, and setting tight limits on the registration of new NGOs. Fears of terrorism and citizen-led unrest can lead to significant limitations for civil society. In addition to these overt constraints, UK-based INGOs may be locked into a short-term and risk-averse mindset, exacerbated by funding for “projects”. How can UK-based INGOs be bold and creative in their aspirations for change? How can UK-based INGOs support each other to fight for a flourishing, free and pluralistic civil society?

These discussions are not new but are increasing in visibility, for example, in the 2014 open letter to activists around the world from Civicus, which called for a more bottom-up approach in development: “Our primary accountability cannot be to donors. Instead it must be to everyone that is or has been on the losing end of globalisation and inequality and to the generation that will inherit a catastrophic future”.35
Are organisations fit for purpose?

The changing context certainly poses challenges to “sector” traditionalists. No actor has a monopoly on the solutions, and those who fail to invest in relationship and alliance-building are likely to be side-lined.

Over the past decade or more, many of the large UK-based INGOs have been moving to global models with greater or lesser degrees of unification from the centre, and becoming families, federations or franchises. This process will no doubt continue, but what are the alternatives for smaller UK-based INGOs? As local voices gain authority and power of choice, they will increasingly cut out intermediaries who do not appear to add sufficient value. New nimble services will continue to emerge to support this disintermediation.

Equally, businesses from Unilever to Google will move into the space previously occupied by NGOs, seeing social value, new markets and brand credibility alongside potential profit. How will NGOs negotiate these new dynamics, seizing opportunities for synergy both with established and new local, regional and international actors? How will they modernise their business models as funding and income generation opportunities transform? And how will leaders gear up their workforce to embrace adaptive ways of working, problem solving and data usage?
5. What do UK-based INGOs need to do?

To remain relevant and valuable in this rapidly changing context will require UK-based INGOs to adopt new strategies. Here are ten of the most important:

**Strategy 1 ➤ Foster diversity by design**

If INGOs are to adapt to the trends and challenges set out in chapter 3, we need to continue to nurture a civil society “ecosystem” as heterogeneous as that described in chapter 2. But while it needs to be just as diverse, the components within this mix will need to change significantly.

We are likely to need fewer generalist UK-based INGOs, who are funding and running projects across a range of sectors in a number of countries. Instead, we are likely to see more specialising by issue, geography, sector or niche function within the overall development process.

One way this may happen is by more agencies merging or joining forces in different forms of more or less formal long-term collaboration, or by new temporary alliances. It could mean a greater emphasis on more diverse organisational and funding models beyond the standard UK-based INGO model, such as social businesses and hybrid organisational forms that can break free of dependency on grants.

Or it could mean the growth of organisations based more on a specific operating strength (such as agility or innovation), context-specific insight (whether geographical or type of context, for example, climate-change-stressed or conflict-affected). And while individual UK-based INGOs will need to consider these issues, we ought to think about how we can work together as civil society, and with donors and other stakeholders, to curate and create the new ecosystem we need for the future.

**Strategy 2 ➤ Help to shape a new global civil society architecture**

As well as reshaping configuration of UK-based INGOs, it is vital that we work with our partners internationally to build a better, more future-fit global civil society. This should not be a case of UK-based INGOs lecturing others on how to do things our way. But UK-based INGOs do have significant experience, skills and resources which can be put at the service of helping in two main ways.

First, by supporting civil society in the global South to develop the local skills, knowledge and capacities they want to develop to enable them to be more effective. These could include skills for governance, financial planning, strategic leadership, fundraising, partnership and networking building, advocacy, or specific technical skills sought by local agencies (for example, in water engineering or treating acute malnutrition).

Of course UK-based INGOs do important work in this area already. But they need to evolve the scale, strategy and approach of this work to help build the capability of people and institutions in the global South for the long term. This approach needs to embrace a shift towards performing accompanying roles – less “the sage on the stage” and more “the guide by the side”.

Building national civil society networks and infrastructure to support this change at a national level in the global South is essential.

Second, it is vital that UK-based INGOs work in partnership to forge a long-term strategy to help build a more effective and sustained architecture for civil society at regional and global levels to enable us all to punch above our weight in humanitarian and long-term development work, advocacy, and voice at the international level. Bond, as the network of UK-based INGOs, has already been working with The International Network of NGO Platforms (IFP) and Civicus which are important attempts to do this at a global level, along with Concord at the regional level in Europe, Mesa de Articulacion in Latin America, and the Asian Development Alliance. To succeed, initiatives like these need greater engagement and support from UK-based INGOs.
5. What do UK-based INGOs need to do?

Strategy 3 ★★★ Shift strategy on providing services from delivering to enabling – but know the process isn’t linear

The trends underway in international development suggest the gradual withdrawal of UK-based INGOs from service delivery roles as local actors take these on over the next decade.

UK-based INGOs need to take a planned, proactive approach to make this happen. But there are many contexts where local civil society is weak or restricted; where local government is under-resourced or compromised; and where the private sector has no interest or market.

Strategy 4 ★★★ Use global reach to act in crises

Many UK-based INGOs command extensive global reach through their confederated structures and multiple countries of operation. Increasingly their reach is also strengthened by unofficial partnerships and active membership of transnational and cross-sectoral groupings.

These structures and networks will be essential as UK-based INGOs seek to respond to the proliferating, complex and globally dispersed development and humanitarian challenges outlined in this paper. As in other areas of work, there will be some re-balancing between the roles of local and international civil society actors. The learning and expertise of UK-based INGOs will be used to help develop local capacity for humanitarian response, for example, through the Build initiative of the Start Network and the work of the Humanitarian Leadership Academy.

Nonetheless, there will continue to be a need for mobile, rapid-response capacity to assist in emergencies where local capacity is overwhelmed. A number of UK-based INGOs will be among those highly professionalised and specialist aid agencies that have the necessary global infrastructure and resources in place to meet the huge costs involved in “flying in” direct assistance, where governments and local civil society need support. Other UK-based INGOs will use their global reach to concentrate more on brokering meetings, advice-sharing or fundraising roles.
5. What do UK-based INGOs need to do?

**Strategy 5 ➤ Rebuild connections with our constituencies**

A knowledgeable and engaged public across the country has underpinned the work of many UK-based INGOs helping to create an environment for political gains.

Social media, the internet and direct calls to action that can now command attention from anywhere in the world have changed the way that UK-based INGOs engage with supporters, and require them to renew their relationships with their home supporters and also in the overseas countries where they operate.

Working with UK audiences in more innovative, in-depth, joined-up and transparent ways will help INGOs do more to raise awareness of and generate solidarity with those in need, wherever they may be found. UK-based INGOs can be a powerful conduit to building a more mature public narrative about global development and depth of understanding of the issues in our interconnected world. UK-based INGOs have perhaps been guilty of taking public support for granted, and regenerating it will require proactive effort and investment.

**Strategy 6 ➤ Influence UK policies and systems**

Proximity to a public and parliament that consistently support development work has been a major long-term advantage for UK-based INGOs. It is also an increasingly distinctive one, relative to other Northern countries.

That 0.7% GNI is now legally earmarked for development assistance secures the UK position as a major player in international development into the future. UK-based INGOs will need to use their advocacy power to hold the UK government to account, across a range of departments, while supporting those NGOs within their global networks to build capacity to hold and influence the positions of their own governments domestically and in international processes.

One important aspect of this increasingly complex policy environment is the growing recognition that achieving our development goals of eradicating global poverty and inequality requires coherent action across a range of policy areas – like trade, tax, climate change and defence – and therefore policy coherence across government. Good, albeit initial, progress has been made in this context. The IDC’s “legacy” report on Beyond Aid gave a strong steer on the priority that the next government should accord to policy coherence for development (PCD) – and the extensive citation of Bond’s evidence and recommendation in the Committee’s report confirms that Bond is well placed to play a key role in supporting DFID in leading this more coherent approach.

It is also important to note that, whilst the centre of influence in development relationships is moving from the grip of established players in different sectors to more cross-sectoral partnerships based on a shared, local objectives, the UK will remain a unique crossroads between formal and soft power structures. The UK’s role as a major leader in Europe affords it credit as part of the world’s largest aid donor and economic bloc, which non-European G7 members lack; and despite the fraught discussions currently around the UK’s future role in the EU, the fact that the UK is itself a development leader makes its involvement in the EU pivotal in this regard. Furthermore, the cultural and language bonds between the UK and other members of the Anglosphere are something European partners lack. Similarly, the diplomatic reach of the Commonwealth enables the UK to be a part of key conversations with many rising economic and regional powers in the global South.

That 0.7% GNI is now legally earmarked for development assistance secures the UK position as a major player in international development into the future.
5. What do UK-based INGOs need to do?

Strategy 7 ▶️ Create and manage effective partnerships

Building relationships and alliances will be essential to achieving change in complex settings. This will require investment in structures and planning, together with bold leadership, creativity and a healthy dose of pragmatism in forging a route through the challenges of different cultures and motivations.

NGOs will have to get much savvier about the true costs of formal partnerships and consortia to make sensible decisions for the long term, and think creatively about developing the models and infrastructure needed to broker, convene, build and manage really effective partnerships that deliver impact in key areas.

Meanwhile, informal networks and alliances will supersede “sole traders”. Cross-sectoral partnerships, such as those developed by MercyCorps with multinational companies or Concern Universal with businesses in its local area, are likely to increase, as businesses and NGOs identify synergies that can benefit both development outcomes and market share. Equally INGOs must explore opportunities for linking up with partners such as schools, diaspora groups, professional associations or entrepreneurs.

Strategy 8 ▶️ Fail forward

While much talk in recent years has been of scaling-up, there continues to be a need to find new and imaginative solutions to old problems, and to emerging challenges. UK-based INGOs will need to find space to think creatively, and to build innovation, testing and iterative learning into their programming. This will require them to invest serious resources in it, often through collaborative ventures. Keen engagement with Bond’s Development Futures initiative, of which this paper and the preceding process is a part, attest to UK-based INGOs’ desire to engage with each other and with thought leadership that challenges established practice and assumptions.

This requires honesty about failure, willingness to experiment and readiness to learn fast so that good ideas can be discarded or adapted. A learning culture will be required for this, which builds on experimentation from outside UK-based INGOs’ habitual world, particularly from entrepreneurial approaches to new product and service development seen in business start-ups and tech enterprises. The rise of innovation roles in UK-based INGOs and cross-sectoral networks like the Knowledge and Innovation Network are a step in the right direction, but funding practice currently inhibits honest learning and acknowledgement of things that do not work.
Strategy 9  Use contextual understanding to drive a data revolution

While UK-based INGOs have no monopoly on knowledge, they have deep wells of evidence and experience to share, which may be of use to partners in the South. They can also offer lessons on processes such as monitoring and evaluation, and on developing faster feedback loops based on listening to citizens and clients (or “beneficiary feedback”) which will be a central part of adaptive working.

Through partnerships with universities and “pracademics” (for example, the recently convened Rethinking Research Partnerships initiative), INGOs have access to a substantial evidence base. Sharing that with partners is important to avoid reinventing the wheel and to enhance cumulative knowledge-building.

There are real challenges, especially within larger UK-based INGOs, of managing information and ensuring the kind of data literacy that makes the most of existing datasets and research. If UK-based INGOs are to be more agile and responsive to changes on the ground, they will need to ensure they have better capabilities to scan, interpret and respond to the contexts in which they and their partners are working.

But having the information is not enough – organisations and their leadership and management need to be better at listening and responding quickly to what they hear. While we may be quite good at doing this in terms of humanitarian response, we can be less good at responding to other kinds of shifts which may pose challenges or opportunities for long-term development work or advocacy outside established norms. For example, many UK-based INGOs now acknowledge that they were slow in understanding and responding to the Arab Spring and the citizens’ movements that drove it.

There are real challenges, especially within larger UK-based INGOs, of managing information and ensuring the kind of data literacy that makes the most of existing datasets and research.

Strategy 10  Create leadership that is fit for the future

Bold leadership is essential for the future INGO. Survivalism, isolationism and self-protection are unlikely to be effective strategies in the long run. Facing up early to strategic choices about mission, value and organisational change is essential, something that may also be tough for governing boards drawn into focusing on more immediate risk management and financial stewardship (important though these are) rather than the long-term vision and strategy needed to enable organisations to understand their changing context, evolve and remain relevant and effective.

Leadership programmes to skill up the leaders of the future, such as the Clore Social Leadership Programme, increasingly focus on transferable capabilities and on authentic leadership, attributes important in Southern settings too. Participatory governance, partnering and devolved decision-making also allow for the exploration of non-traditional forms of leadership.

We will need greater investment in developing both future-fit leadership (engaging both current and future leaders) and management approaches, as well as investing in the workforce. This needs to draw on an eclectic pool of people and approaches from the best in the NGO sector – but also way beyond, from social enterprise to the tech world, from social movements to governments.

Leadership programmes increasingly focus on transferable capabilities and authentic leadership, attributes important in Southern settings too.
6. How can donors and UK-based INGOs develop a new partnership?

This paper highlights ways in which Bond believes UK-based INGOs can and should adapt and evolve to deal with fast-changing external forces. The key question, however, is whether those with the resources – and therefore power – will fund these new ways of working. Of course, UK-based INGOs themselves need to consider how to direct their resources, especially when these come from voluntary giving by the public. But donors have an integral role to play both in setting the incentives to change and ensuring an enabling environment conducive to change.

Donors’ accountability

Donors themselves face challenges as they prepare and adapt for the future - whether they are governmental funders or from trusts and foundations. Scrutiny of donors is not unique to international development, but, giving to work beyond our shores is especially under the microscope in times of economic austerity. Where the public provides funding, questions around value for money, impact and efficiency are as demanding for donors as they are for implementing agencies. Constraints around what, where and how to give are placed on donors by their stakeholders, whether it be the public or their trustees. Measurable results are vitally important for all who resource or act in the name of development, and there will continue to be a focus on understanding, evaluating and communicating what is achieved through development interventions.

Along with many other official development agencies, DFID faces a dilemma due to the seemingly conflicting demand of increasing spending but without increasing transaction costs by having more officials to manage the money. The pressure is for writing ever bigger cheques so as to disburse money in ever larger “chunks”, thereby lowering person-hours per pound spent.

This may be by pushing more funding through multilateral agencies, or by appointing external consultants to manage key funds. The danger for NGOs is that they are seen as “high transaction cost”, as often funding to them involves many small grants to a large range of organisations. Our consultation with Bond members and workshop participation showed a concern that this will disadvantage investing in partnership approaches with civil society organisations.

We believe this is a narrow view, and that NGOs can offer exceptional value in terms of quality, reach and diversity for donors for a range of specific development ends. This is ultimately good value for money to the taxpayer. Acknowledging this, we would always be ready to explore creative, practical ways of reducing the management costs for both NGOs and for DFID in civil society funding programmes. This is something both sides would benefit from.

We also believe it is important to find better funding management approaches which incentivise greater innovation and responsiveness, rather than stifle it. For example, the EC recognise the barriers their systems present, and therefore establish discrete rapid response funds such as those to support human rights defenders. Equally, reports such as the Baring Foundation’s 2012 review, as well as the Bond research into DFID fund-managed grantees, show the enhanced effectiveness of a closer donor-recipient relationship.

Measurable results are vitally important for all who resource or act in the name of development.
It is necessary for donors to change because UK-based INGOs’ ability to adapt and address the challenges of the new context will not be possible if funding approaches are restrictive. Donors must acknowledge the complex needs projected for the future, the interconnectedness of global problems, and the need for system changes and adaptive approaches to address them. This cannot be done if they prioritise risk-avoidance and fixed short-term measures of success, based around project funding.

We must not continue the status quo simply because it is the established way of working, or because of fear that any failures – and there will be failures if we take more risks to innovate – will be mercilessly punished as evidence of aid “waste” in lurid media headlines.

As well as enabling grantees to adapt, progressive donors can proactively encourage actors to make these changes. For example, by making funds contingent on local decision-making, donors can incentivise downward accountability.

Just as donors have demanded gender equality and participatory processes in their funding requirements, thereby normalising these approaches, donors can incentivise agile, effective and innovative organisational behaviour. Donors need to scrutinise the ways of working that their funding modalities reward. UK-based INGOs are keen to improve their practices as demanded by the context, and donors should align the incentives which support such developments.

Although there is an inherent intention to empower local civil society, it is unlikely that donors will be able to work predominantly via local NGOs in the immediate future, though clearly decentralising funding to country level is a useful strategy to support this localisation. In enabling UK-based INGOs to reach their potential, the following seven proposals apply to all donors, though they have particular relevance to DFID.

**Proposal 1 ➤ Maintain diversity of funding to encourage the ecosystem**

There will be a diverse range of actors and approaches necessary to respond to complex and varied contexts. Both small and large organisations have specialisms and expertise to offer: this diversity should be encouraged and fostered to ensure a broad supplier base and value for money. Diversity can be encouraged not only by the range of funding calls, but also by the requirements donors make of grantees. In our dialogue with smaller, niche organisations, the demands of logframe based reporting made some innovative INGOs unwilling to seek funding from institutional sources.

**Proposal 2 ➤ Use strategic funding to address complex global challenges**

Complex global challenges cannot be combated via short-term, output-focused funding mechanisms. Flexible, long-term and adaptive funding will be necessary to respond to universal challenges. The nature of these issues will involve multi-sector, multi-country approaches, which need significant investment to establish. Timeliness is another factor, as the flexibility to be able to respond to opportunities or crises as they arise is essential. For example, in the PPA learning group, Conciliation Resources reported to Bond that its PPA funding allowed it to respond quickly to emerging opportunities in fragile contexts where success is not inevitable. Project funding is unsuitable for this purpose.
6. How can donors and UK-based INGOs develop a new partnership?

Proposal 3 ▶▶ Develop funding options that encourage innovation, risk and learning

Emerging problems need new solutions, and innovation only comes about if we allow the testing of ideas. Strategic funding encourages innovation as it allows for adaptation and risk-taking. Scaling-up the innovation once it is tried-and-tested is possible with other funding modalities. But the initial piloting is only possible with flexible funding that allows space for experimentation and iterative learning. Practical Action offers examples of where its PPA funding allows it to test new technologies, which can then be brought to scale via markets. Evidence for flexible and secure funding to aid innovation, adaptive programming and organisational transformation is included in the 2013 ICAI report. Funding that supports learning is necessary for a culture that values evidence-building and its use, allowing action to arise from an understanding of emerging results.39

Proposal 4 ▶▶ Support alliances, consortia and partnerships to encourage multi-actor solutions

Funding should be deployed for convening consortia, empowering networks and seeking systems solutions. Support for networks such as the International HIV Aids Alliance, that draw reach and expertise from their membership, can offer new ways of bringing together diverse actors to meet complex challenges. International networks offer the strength, voice and reach that are necessary to respond to the global challenges on the horizon. Donors should support these collaborative efforts by committing to full cost recovery, recognising the hidden costs inherent in joint working and the need for realistic timelines to establish them.

Proposal 5 ▶▶ Engage the UK public

The importance of enthusing the UK public about development issues and global citizenship could be met by specific funding to enhance understanding of the universality and interconnectedness of international development issues. Links with faith, diaspora and trade union groups could be exploited to encourage global citizenship. Various initiatives have made strides in encouraging a more nuanced narrative around development, such as the work of Bond itself through the publication of the Change the Record report and of Think Global. Connecting with UK taxpayers as voters and supporters is of value to both INGOs and to the UK government in enhancing support for development. The ability to build relationships with a supportive UK public was identified as a unique strength in Bond’s survey and subsequent discussions.
Proposal 6  ▶  Enable systems change

Funding for global public goods and challenges is not new. However, few funding calls have identified the truly cross-border or international nature of many of the challenges that this paper argues that we face. The PCD agenda addresses the current anomaly of encouraging the UK to consider their choices as global citizens whilst promoting domestic policies that run counter to global justice.

We have already seen corporations based in the UK become targets of INGO campaigns. Could we consider models such as the Dutch Ministry of Foreign Affairs’ Dialogue and Dissent, which encourages challenging corporations and others who operate in ways that contravene development goals? Donors could push the envelope by specifically allocating resources to funding global issues, regardless of geography. Connectedness could be emphasised by supporting monitoring of policy coherence, and promoting a vision of development that highlights the universality that is central to the new Sustainable Development Goals.

Proposal 7  ▶  Fund organisational transformation as part of the change process

Funding for UK INGO transformation is another option for encouraging a rebalance of power towards the South. This “change capital” could include funding for mergers, investment in substantial restructures or transformational leadership initiatives. For example, fundamental change journeys like the one undertaken by EveryChild towards becoming a global network and ceasing to exist as a UK INGO could be encouraged by specific funding calls to enable the necessary strategic thinking, capacity development and practical changes.\(^\text{40}\) Much as venture capitalists invest in the companies they expect to be profitable over the long term, donors should build long-term relationships with effective NGOs as their delivery partners and co-producers of development solutions.

Other models for donors to consider

The seven proposals above stem from the concept of a re-engineered partnership between donors such as DFID and UK-based INGOs. Clearly there are wider partnership issues that come with this territory. This approach necessitates shared results frameworks, arrangements for mutual accountability, and a differing role of civil society in settings such as middle or lower income countries and fragile states. We believe that partnership with donors enhances the role for civil society in reaching the areas and meeting the needs that governments or the private sector cannot address.

With or without a partnership such as that described, there are some important further considerations. When donors such as DFID weight up their choices in terms of where and how they distribute UK government resources, they will need to bear in mind issues such as the overall level of funding; the share of funding in long-term development programmes; the balance between humanitarian and development funding; the balance between competitive and non-competitive funding windows; matched funding requirements; and the balance between service delivery and other modes of operation such as advocacy.

Although we have focussed on partnership in this paper, these are clearly important issues for future discussion, and Bond and its members are well placed to support and develop thinking in these areas. Bond has experience in facilitating dialogue between donors and those they fund, and anticipates engaging in further discussions on these topics over the coming months.
7. Conclusion

With the International Development Act (2015), although the UK's aid budget has been ring-fenced, its aid agency has not. DFID is currently rated “very good” by independent experts on transparency and its peers value its leadership in driving the development agenda making it a best-in-class development aid agency. However, gains of the past are under threat from staff cuts and the need to minimise transaction costs. At the same time, the public, parliament and the independent aid commission are all keen to scrutinise value for money in the UK's development aid budget. This should be seen as a shared challenge for both DFID and UK-based INGOs, and they must work together to address it.

Profound change is required if a new partnership between DFID and UK-based INGOs is to emerge. However, a “burning platform” created by abrupt changes to the funding environment may create other problems for UK-based INGOs and those they serve that could be avoided by a carefully staged approach to evolutionary change. The first step towards this managed change is to agree whether there is a shared ownership of the agenda as described in this paper.

The public rightly expects results from the government's spending on international development. As mentioned, they expect UK-based INGOs and government to work together to deliver this, and see INGOs as the most trusted channel for the UK's development aid. INGOs via the Bond network can work on tangible solutions to the problems faced by DFID in its dual challenge of minimising administrative costs while maximising development results.

The changes anticipated over the next decade pose considerable challenges for all who seek a fairer world through development. We believe that UK-based INGOs can evolve in order to continue to make a valuable contribution to that end. As a community we have adapted, innovated and changed in many ways in response to new challenges and opportunities. This heritage should embolden us to do so again and to be prepared once more to be visionary, strategic and practical in evolving to meet the next phase of global and local change.

The first step is to agree whether there is a shared ownership of the agenda for change as described in this paper.
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