INGOs & the Long Humanitarian Century

LEADERSHIP SURVEY REPORT

What leaders of international NGOs think about the challenges they face, and the future of the aid and development sector

INGOs & the Long Humanitarian Century

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FRONTISPIECE

This report forms part of a major research programme, supported by Nuffield College at the University of Oxford, which is working with international non-governmental organisations (INGOs) to reassess their purpose, the values that they are built on, the basis of their legitimacy, and the future leadership that they will need if they are to remain relevant and stay effective in serving the people who they aim to help.

The INGOs and the Long Humanitarian Century research programme aims to help INGOs negotiate a unique historical moment that they find themselves in. Many are facing calls for reform, and there are challenges to INGOs both from within the sector and from their external environment.

INGOs and the Long Humanitarian Century brings together senior leaders from within the INGO sector, policymakers and academics working on the history of humanitarianism, to create a space for critical reflection and debate. By providing a historical and social perspective, the programme's overarching ambition is to help INGOs understand where they have come from, where they are now, and where they want to be by the year 2030, while staying focused on and true to their founding values.

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EXECUTIVE SUMMARY

Fifty private conversations with CEOs of international NGOs, on the challenges they currently face, and what their organisations (and the aid and development sector as a whole) might look like by 2030

Part of the INGOs & the Long Humanitarian Century research programme

At a time of rapid change for many international non-governmental organisations (INGOs), this new survey gives an unprecedented 'peek behind the curtain,' showing what leaders of INGOs think about the purpose of their organisations, the challenges that they face, and their visions of the future.

INGOs AT A TURNING POINT

For more than a century now INGOs have played a vital humanitarian role, delivering emergency relief and longer-term development assistance. Many have grown into powerful, complex, international organisations with global reach.

But there is a widespread feeling within the INGO community that this is a period of transition, when INGOs need urgently to find new ways of working in the face of rapid change. A time to reassess their roles, with questions being raised about their legitimacy, their core identities, their income streams, their relationships with donors and the people they help: in short, their relevance in a fast-changing world.

Some INGOs have been hit by scandal over the past decade,[1] while many others are having to adapt to reductions in government aid budgets. The COVID-19 pandemic has severely affected the work of most INGOs, and for many INGOs the era of growth seems to be over.

Everywhere, the effectiveness and efficiency of INGOs is being scrutinised, competition is growing and the demands of compliance are increasing. Movements around racial equality have also raised fundamental questions about INGOs and their role, with calls for a more localised, 'decolonised' (i.e., involving real shifts of power from the global North) and inclusive aid and development sector.

How well can INGOs adapt to this increasingly complex global situation? Can they avoid being so consumed in the day-to-day, so absorbed in their own internal dynamics – including defending themselves from attack – so 'stuck,' that they fail to confront the radical uncertainties that they face in their external environment? Can they adapt to the new realities and stay effective without 'losing their souls'?

WHAT DO WE MEAN BY 'STUCKNESS'?

A sense of wanting — indeed needing — to move their organisations in new and different directions came across strongly from the CEOs we interviewed. But this desire was matched by doubt and frustration as regards their freedom and scope to do so. CEOs referred to factors internal to the aid sector making change much more challenging, alongside radical uncertainties in their external environment which NGOs are having difficulty in comprehending. As always, the CEO's role is to identify destinations, to map a course, to navigate and negotiate the obstacles getting in the way — but they perceive the current conjunction of exogenous and endogenous factors as making this a particularly complex task.

1. For example the safeguarding scandals in 2015 and 2018 (Save the Children UK and Oxfam, respectively).

THE INGO LEADERSHIP SURVEY: A UNIQUELY DETAILED PICTURE OF WHAT INGO LEADERS THINK

Supported by Nuffield College in partnership with Save the Children UK and the Centre for Humanitarian Leadership at Deakin University, this survey of INGO CEOs provides an exclusive insight into the current state of the sector.

More than fifty leaders of INGOs (of different sizes, structures and mandates) offered their frank opinions in hour-long interviews about their organisations and the wider sector.[2] The leaders were able to speak freely and informally in one-to-one conversations which ranged widely, meaning that their individual opinions could be given space.

In this report we present many direct quotes from these conversations: quotes that are anonymised but given in interviewees' own words.

Having such a degree of involvement from so many INGO leaders, the Leadership Survey offers a uniquely broad, cross-sector analysis. It gives a sense of the kind of people who are leading some of the world's most influential NGOs, and what is weighing on their minds. It shows what these leaders understand to be the most important internal and external factors that are affecting their organisations. It gives an idea of the action they are taking, to ensure that their organisations (whether in their current form, or through radical change) are still able to operate with impact in 2030.

With its emphasis on rich, qualitative data, the Leadership Survey offers a uniquely vivid picture of the lived realities of INGO leaders, and the challenges that they face: both the challenges to their organisations and the challenges that they face as individuals, in providing leadership in uncertain times.

That so many busy CEOs were willing to participate is a telling sign: many said how much they appreciated the chance to air their views at this crucial time, outside of the confines of the institutions they lead.

SURVEY FINDINGS: HOW DO LEADERS OF INGOs SEE THE NEXT TEN YEARS?

Our survey found a broad degree of agreement between leaders of INGOs as regards their visions for the sector and for their organisations. But there is a general sense of uncertainty around the question of how to realise these visions.

Externally, we found that:

- the formal aid and development system is being challenged by critiques of the perceived hegemony of the global North, and a more localised and inclusive sector is being championed both from within INGOs and by other actors
- despite speculation about the role of non-traditional actors, the global funding landscape is expected largely to stay the same (particularly in relation to the dominance of Western actors), although with fewer resources to go around
- INGOs are seen as being at risk of falling behind in using digital technology, which has become more important in the context of the COVID-19 pandemic
- climate change is seen as a critical disruptor that INGOs need to address, with a sense that greater collaboration is needed with climate-focused organisations.

Internally, we found that:

- the growth period for INGOs is largely seen to be coming to an end, yet the narrative that 'growth is good' remains entrenched in many organisations

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2. Our sample included 49 Chief Executive Officers, or those with an equivalent position, and a further five Executive Team members.

- INGOs are all, to some extent, driven by their ability to access funding, and so are strongly influenced by the priorities of donors: while some are deciding to be more selective in where they receive money from, in the majority there is no consensus that such an approach is necessary or desirable
- most CEOs share a vision of a more localised humanitarian system, but a perceived lack of local actor capacity and concerns about risk and compliance are cited as barriers to this becoming a reality
- risk management and donor compliance are looming larger in leaders' minds, and taking up greater financial and personnel resources, and boards are largely prioritising risk management and compliance over change and innovation
- CEOs acknowledge that diversity is limited at all levels in the leadership of INGOs, though there is a growing emphasis on changing this, and some leaders feel that their staff (and they themselves) are restless, but that there is a lack of space and time for critical reflection.

VISIONS FOR 2030

INGO leaders were asked to articulate their visions for the aid and development sector by 2030. What should the sector look like in order to meet the challenges that it faces?

The most frequently cited vision was of an aid and development system in which:
- INGOs are less dominant, and operate through a more diverse range of actors
- the power dynamics have shifted in order to make the sector more 'localised'
- relationships are more networked than hierarchical
- INGOs are more proactive in meeting the needs of communities
- INGOs are more connected with their stated purposes.

INGO leaders see a tension, though, between developing a narrative around this vision, and their fundraising efforts. The vision for 2030 (which may entail fewer INGO HQ staff flying into crises, and greater involvement of local partners) is not necessarily what connects most with the donating public. INGO leaders also perceive barriers that make it difficult for their organisations to be more localised in the way they operate: a perceived lack of funding or risk appetite for localisation, an absence of local actor capacity, and the personal reluctance of leaders to be responsible for reducing operational footprints, budgets and jobs within their organisations.

CONCLUSION: EMERGING THEMES

While we often talk about INGOs as a single group, there is significant diversity in their histories, structures and mandates, making it unlikely that these organisations will evolve in exactly the same way.

INGO leaders often feel constrained in their ability to enact change. The influence of their leadership is often overestimated, they say, given the multitude of stakeholders to manage (including donors), and external factors beyond their control. They see their role as one of constant negotiation, with their ability to make decisive change often hampered.

At a personal level, leaders are often grappling with calls for change, alongside a very human hesitation to buck the trend of traditional KPIs, and to face the consequences of more drastic cuts to operating budgets and jobs.

Are INGOs therefore too big to change? Are we destined to remain with the status quo, though it may be unsatisfactory and unjust? Can INGOs 'fix' themselves, or are they destined to carry on as they are? Or will other actors come up with better and fairer approaches that make INGOs increasingly redundant?

THE INGO LEADERSHIP SURVEY: HOW LEADERS OF INGOs SEE THE CHALLENGES THEY FACE

What we did: At a time of transition for international non-governmental organisations (INGOs) in the aid and development sector, when they face significant criticism of their roles, a new focus on the distribution of power within and around the INGO ecosystem, and questions about their relevance and legitimacy, the INGO Leadership Survey provides an unprecedented insight into the thinking of INGO leaders.

The survey involved some 50 leaders of INGOs speaking candidly to two interviewers, away from their organisations, and away from their peers. As such it is based on unrehearsed conversations, exploring the lived reality of leaders of INGOs.

The role of leading an INGO is a complex one: leaders need to be both visionaries and managers, setting the direction for their organisations, and having a steady operational hand. Not all INGO leaders are good at both jobs.

At the same time, INGOs are often highly complex organisations, many of them with global federated structures.[3] Most of the leaders who took part in the survey come from organisations working within the traditional architecture of aid and development.[4] These INGOs are mostly based in the global North: many are from the UK, though there is significant representation from the US, Europe and the Asia-Pacific region, and they include some INGOs that have developed in countries that were historically recipients of aid. They span both secular and faith-based organisations, of varying sizes, and cover a range of causes (from health to protecting children and supporting refugees).

Our focus on organisations from the global North implies no disregard of other viewpoints, including those from countries where traditional aid and development activity is or has been occurring (particularly those of civil society organisations, and national and community-based NGOs): rather, the premise of this study was to gain insight from those actors that have traditionally dominated the system. The aim is to provide a snapshot of the lived experience of their leaders and their visions for the future, at a particularly important moment of transition in the aid and development sector.

WHAT MAKES THIS STUDY DIFFERENT

There has already been considerable reflection and debate around the challenges inherent within the current aid and development architecture and the role that INGOs play within that, now and into the future. Analysts have pointed to what they see as power dynamics that are dominated by Western interests, and argue for a 'letting go' of this power and control in favour of a more inclusive and fair system.[5] Key areas of potential reform have been highlighted,[6] and visions of what the aid and development sector could look like in the future have been debated.[7] Analysis has highlighted the potential evolutions of the ecosystem in which humanitarian actors operate, identifying different possible structures and roles for INGOs within those alternative futures.[8] There have been publications that have included interviews with INGO leaders.[9] What, then, marks this study as different?

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3. By federated structures, we mean the multiple parts of an organisation across different regions and countries.
4. Aid architecture can be defined as the set of rules and institutions governing aid flows to developing countries. See 'Aid architecture: an overview of the main trends in official development assistance flows,' International Development Association Resource Mobilization (FRM), February 2007.
5. See Humanitarian Policy Group, 'Time to let go: remaking humanitarian action for the modern era,' Overseas Development Institute, April 2016.
6. See Patrick Saez, Jeremy Konyndyk and Rose Worden, 'Rethinking humanitarian reform: what will it take to truly change the system?,' Centre for Global Development brief, September 2021.
7. See Humanitarian Policy Group, 'Constructive Deconstruction: imagining alternative humanitarian action' publication series, Overseas Development Institute, May 2018 and The New Humanitarian, 'Rethinking humanitarianism' series, 2020.
8. See Inter-Agency Research and Aealysis Network (IARAN), 'The future of aid: INGOs in 2030,' 2018 and The RINGO Project: Re-Imagining the INGO and the Role of Global Civil Society (hosted by Rights CoLab).
9. See George E. Mitchell, Hans Peter Schmitz and Tosca Bruno-van Vijfeijken, Between Power and Irrelevance: The Future of Transnational NGOs, Oxford University Press, 2020.

We believe there are two key elements that make this report unique in its scope and ambition. First, there has been no comparable, cross-sector qualitative analysis of the mindset of INGO leaders on this scale. Secondly, there have been no studies of this size in which INGO leaders could offer such revealing reflections on their own sense of direction, their misgivings, and the opportunities and challenges that they have.

With its emphasis on rich, qualitative data, recording the candid reflections of interviewees, the Leadership Survey offers a vivid picture. At a time of radical uncertainty in the world and great change for many INGOs, this survey gives an unprecedented 'peek behind the curtain,' showing what leaders of the major INGOs really think about the purpose of their organisations, the challenges they face, and their visions of the future.

Each section of this report offers reflective commentary from the authors and provides a summary of key points at the end of each section. Our objective is to give the essence of the conversations and allow the reader to form their own conclusions. The first two sections provide a wider contextual view – unpacking the factors that leaders see as most significant in shaping their future. The remaining sections deal with the obstacles that need to be overcome if their visions are to become a reality, visions which include:

- localisation (i.e., letting people closest to a crisis take the lead in designing and implementing a response to it)

- financing

- organisational structure, and

- their response to major disruptors such as COVID-19 and the increasing profile of issues of racial injustice, exemplified in the Black Lives Matter movement.

SURVEY METHODOLOGY

Conducted by Nuffield College, in partnership with Save the Children UK and the Centre for Humanitarian Leadership, the survey consisted of interviews that were semi-structured in nature, exploring six key themes: the future of the aid and development sector; the legitimacy of aid; 'your organisation;' leadership for the future; future finance, and disruption to the aid and development sector. The interviews generally lasted around one hour.

There was no set number of interviews; the survey participant list was added-to on an iterative basis. The only criteria were that the interviewees had to be in an 'organisational leadership role:' either the Chief Executive Officer (CEO), Managing Director (MD), General Secretary (GS) or equivalent, or part of the Executive Leadership Team (ELT) or equivalent. A large majority of interviewees were CEOs.

INGOs are not a homogenous group: they have widely varying structures, mandates, finances, locations and many other differentiating factors. Where possible, we have acknowledged the individuality of organisations through our conversations, although we have grouped some organisations together based on their current structures, mandates and historical underpinnings.

THE AID & DEVELOPMENT ECOSYSTEM

INGOs are part of an aid and development ecosystem and are animated and constrained by changes to that system and the world beyond it. They are not immune from external influences and must understand the wider environment in order to adapt their organisations accordingly.

Our conversations began by asking leaders what they saw as 'the three most influential factors that will shape the ecosystem in which INGOs operate by 2030.' Figure 1 shows the factors that were most frequently mentioned: although many different factors were cited, the two most common were 'money' and 'donors.' Geopolitics, the role of national governments and localisation also received multiple mentions. Climate change and technology were similarly high on the agenda of INGO leaders (see Section 7, on 'disruptors'). There was less apparent focus on innovation, the voice of local people, the challenge to civil society space, human rights, INGO access or the culture of aid agencies, though all were mentioned.

Figure 1: answers to the question 'what are the three most Influential factors that will shape the INGO ecosystem by 2030?' The size of the text reflects the number of times that terms were referenced by the interviewee group.

mobility patterns
clarity on who NGOs serve
decolonisation
access
INGO value-add
market forces
more disasters
disintermediation
home government regulations
COVID
national civil society
INGO structures
post-COVID economics
public/ private partnerships
talent
localisation
INGO relevance
local legitimacy
geopolitics
technology
money
private sector
public perceptions of aid
citizen engagement
nexus
civil society space
culture of aid agencies
leadership and vision
trust
protection
donors
national goverment regulations
voice of local people
public perceptions of NGOs
local staff capacity
sustainability
black lives matter
climate change
national govs
political will for change
rise of nationalism
cultural factors
accountability
shifting power
incumbency
emerging South leaders
role of state
INGO ability to innovate
human rights
North/ South dynamics
diversity
mistrust

WHAT WILL SHAPE THE INGO ECOSYSTEM BY 2030? COMMONLY CITED FACTORS

1.1 MONEY (MOST COMMONLY REFERENCED)

The focus on money was a dominating narrative throughout our conversations, but INGO leaders differed in the degree to which financial thinking influences the way that they run their organisations.

'I think funding has got to be one of the biggest ones. We tend, for better or worse, to be very led by the different approaches the different funders take, and demand that we take.'

'Money I think is probably the biggest influential factor. I think INGOs are businesses ultimately for good, but we are unfortunately driven by money.'

'I think obviously the first one is money. I don't want to sound cynical, but my experience of INGOs is that things move faster where money is attached to it, let's put it that way. So the availability of money and the kind of strings that are attached to it are obviously going to be the key factors.'

Given that money is such an influential factor, INGO leaders' views of the current funding environment for their organisations are quite bleak. This is corroborated by a recent study, suggesting that the proportion of funding that INGOs receive from appeals to finance humanitarian assistance fell to a record low of 52% in 2020, resulting in a shortfall of US $18.8 billion.[10] There is a realisation among some organisational leaders that their traditional sources of money will be likely to reduce.

'The money I think will probably go down: the amount of money that is available in richer countries to spend on this sort of stuff. Maybe not catastrophically down in the long term, but I think we may have reached a high point in terms of the proportion of government money that goes on aid.'

'There is a lot of competition in national budgets for scarce resources, and I think that development budgets are more under scrutiny than they were before. That is definitely the case here in my home country.'

There have certainly been reductions in funding allocations to aid among some donor governments. Not all the leaders who were interviewed see such cuts as a bad thing, however, with some describing them as changing the way that their organisations manage their finances.

'Funding and financing and the power of the buck – I think this is leading to a huge reshape already.'

Others, however, were quick to point out the challenge of reconfiguring or totally changing business models. Funding cuts are seen as leading to a greater reliance on other sources of funding (discussed further in Section 5), which are not as easy to access and generally more expensive to pursue:

'It is a genuine disaster for current business models. It destroys the financial sustainability of everybody. Our budget is about 20 million a year: 12 million of that is from grants that come to us from UNICEF, from FCDO. So, if you take those grants out, we have to pay for that support with what we can get from the public. If you get a 3:1 return on unrestricted fundraising you're doing pretty well. Our capacity to provide support to national organisations to access UN funds is expensively won.'

Whether it catalyses changes to INGO business models or not, the fact that money is so influential across a spectrum of INGO leaders means that it has major significance for the way that the sector operates. Can leaders successfully advocate for the pursuit of real change when those controlling the money may not be as willing to seek change themselves?

1.2 DONORS (SECOND MOST COMMONLY REFERENCED)

This brings us to the role of government donors (i.e., those who largely control the flow of funding). Current INGO business models are closely linked to what donors are willing to fund and how they are willing to fund it. While diversification of funding and commercially driven activities are starting to take root, this is seen as being outstripped by the weight and influence of institutional donor funding:

'The problem is INGOs are not strong. We are as strong as the strong people allow us to be. And who are the strong people? It's governments, and actually the United Nations to a lesser degree, because unfortunately, governments control the United Nations. So, governments and the rich people of the world. These are the strong people, let's be very honest about it. This is the reality.'

10. https://devinit.org/resources/global-humanitarian-assistance-report-2021/chapter-two-humanitarian-and-wider-crisis-financing/#downloads

'What donors choose to fund and how they choose to fund influences everything. It's just such a huge driver, unfortunately. But that's the reality.'

By contrast, the relative freedom which accompanies unrestricted funds received through individual giving was seen by one respondent as making it easier to enact operational change:

'I think that it's only really going to be the organisations who are 80 or 90% funded by the public that are going to be able to change any time soon. Anyone who is significantly funded by government donors is going to find it hard to go any faster than the pace set by those donors, unless they make that big decision to radically downsize and stop working with those donors who control everything that we do, and work more on changing the system.'

Fundamentally, there is a feeling among leaders that, if institutional donors are not willing to change, then INGOs become 'stuck' in perpetuating the same ways of thinking and acting, in order to keep receiving funding. If this is the case, then educating donors seems important:

'Number two I think is donor education. Whether you're looking at £600 million organisations or £10 million organisations, we're still doing a lot of donor-led work, and donors pretty much decide on how good or bad charities are.'

Leaders are seeing funding from traditional, institutional 'global North' donors diminishing.

'On funding – and I would have said this before 2020 – there just isn't the level of funding needed for giant, almost state-owned enterprises in the form of the UN agencies or very, very large international NGOs. There's just not enough money to support such large structures and massive footprints and responses in-country.'

And as the amount of funding from global North donors diminishes, this is driving change in the way that these donors provide money to INGOs and other organisations. No longer is it a matter of grant-making to support responses to humanitarian crises and international development work; rather it is about wholesale contracting relationships (which, the argument goes, give a clearer picture of where funding is spent and provide better value for money). Private Sector International Development firms and consultancies have been operating like this for many years, which potentially puts INGOs at a major disadvantage.

'Our institutional donors are no longer donors: they are funders, and it's about contracts and it's about evidencing investment, and the new modalities of financing. It's challenging us to be able to operate in many respects as financial institutions.'

So, what do INGO leaders do about the multitude of challenges posed by the funding environment and donors? For some INGOs their response is about reducing operational capacity; they are resorting to closing offices in some parts of the world, concentrating their operations in more 'funding-rich' areas. Another common theme was the role of advocacy in its various guises,[11] as something that INGO leaders can do to influence change. Although, as one leader told us, the extent to which this can have an influence is questionable:

'A key influencing factor is the donors and donor behaviour. At the minute donor behaviour is certainly maintaining the status quo, if not even going further and actually reinforcing the status quo. I think donors are absolutely critical. Whilst there's lip service to changing that, I'm not sure that there is the political will to change it, for a number of reasons which are more political than about the reality.'

11. By 'advocacy,' leaders generally meant educating donors in terms of the conditionality attached to their funding. However, other forms of advocacy conducted by INGOs include public pressure that then feeds back to Government donors.

1.3   GEOPOLITICS

National donor governments are influenced by the wider geopolitical landscape. As one leader points out, everything is interconnected, and INGOs do not operate in isolation:

'NGOs are on the same conveyor belt as everyone else.'

And in a multi-polar world, the relationships between INGOs and national donor governments cannot be solely limited to those governments that are linked with liberal democracy.

'You're no longer talking about a small handful of countries being donors to a large number of countries. There's a greater spread of donors, with China and Saudi Arabia and India being active donors. There's more donor diplomacy happening.'

This creates new challenges for INGOs. First, how do they adapt to the changing geopolitical environment, which could require some uncomfortable compromises, or even a shift away from a 'Swiss model' of humanitarianism, grounded in human rights? Secondly, how do INGOS respond to new social movements, aimed at creating a more egalitarian society?

'INGOs are still dominated by Northern-founded bits struggling to achieve global balance and reinvent themselves to be more representative of the world. The question for us is whether we can create a more globally balanced, more globally democratic set of institutions that don't feel like the anachronistic manifestations of the old-world order.'

1.4   LOCALISATION / NATIONAL GOVERNMENTS

The theme of localisation featured heavily throughout our discussions with CEOs. One leader referenced the effect of the Black Lives Matter movement in re-emphasising a push towards localisation:

'While the localisation agenda and the decolonisation of aid has been there for a while it's obviously been given a huge thrust forward with the Black Lives Matter movement. The lack of self-awareness in most of our organisations about the imbalance of power is clearly something that will either make or break our ability to exist in the future.'

Other leaders view the work on localisation as a continuous process over a long period of time:

'It is about that push to a more localised response. Again, I think it's quite incremental, but that is a driver. It's quite a steady force; people need to keep pushing.'

Change around localisation is not achieved in a vacuum, and many INGO leaders referenced the national governments of the countries in which they operate as an influential factor. In the current multi-polar climate, some leaders felt that more questions are being asked in national governments about the opportunities that INGOs are given, compared to local organisations:

'Increasingly we're hearing very strong views around, well, why are international NGOs taking up so much of the space and absorbing so much of the financial resource?'

A number of national governments may be leaning towards such views but, as argued by some leaders, INGOs are still able to have a significant role in contexts where local civil society space has been constrained:

'It is in the behaviour of the governments in developing countries where you see a range of attitudes. You certainly see certain countries where INGOs are increasingly unwelcome, but then again so is foreign funding for the national NGOs, and often in those countries the INGOs have that little bit more freedom than the national CSOs.'

'We're talking South Sudan, Central African Republic, Syria, places like that. I think there's going to continue to be a role for the international NGO for some time to come because there hasn't been a lot of space for civil society. And government-to-government assistance is seen as too political.'

Such responses demonstrate the complexity of the topic and possibly explain why localisation, as a practical step, is so hard to progress (as we will see in Sections 3 and 4 on legitimacy and localisation).

The broad range of factors raised by INGO leaders gives the impression that they are dealing with a number of complex and challenging external forces. Accessing money and being perceived by donors as a key delivery partner are seen by leaders as necessary for maintaining the function of their organisations, possibly making it more difficult to pursue radical change.

SUMMARY OF SECTION 1:

1. Money and donors are the two most influential factors that INGO leaders believe will shape the aid and development ecosystem by 2030

2. The distribution of influential factors that affect INGOs is broad, reflecting the number of external challenges that INGOs face – other highly referenced factors include climate change, digital technology, INGO legitimacy and national civil society

3. There were fewer references to the voices of affected populations, the culture of aid agencies, the role of the public and increasing humanitarian need

4. INGO leaders tend to be aware of the way that geopolitics influences their organisations, and of the shifting nature of the world order. However, it is harder for them to know how to adapt their INGOs successfully to meet this change

5. Localisation is a key influencing factor for INGO leaders, and it is shaped by external drivers. Some leaders felt that progress towards localisation is incremental and needs to continue to be pushed. Localisation is explored further in Section 4

6. National governments have significant influence over INGOs in terms of providing access and opportunity.

VISIONS FOR 2030

What visions do leaders have for the aid and development sector by 2030? And are they able to communicate those visions within their organisations, and to the wider public?

Considering the challenges faced by the sector and the impact of external factors, we asked INGO leaders to articulate their visions for the aid and development sector by 2030. What should the sector look like, to best meet the challenges of the future?

The most frequently cited theme was a more 'localised' aid and development system, with key characteristics that include locally relevant approaches, an equitable flow of power and resources, and a global understanding of solidarity.

'I think it's going to be very localised to the country, the context and the communities involved, and what is welcomed in one context might be pushed away in another by communities themselves, that are driving the agenda based on their geography and their locality. Maybe that's too ambitious by 2030, but I certainly think that that's the direction we're going in.'

'I think a more equitable distribution of power certainly is the ultimate transition that has to be made, in terms of finding more local, locally owned, empowered solutions to problems. But they're easier things to state than they are to realise, for sure.'

Within this more 'localised' system, respondents also identified the need for equitable partnerships, or partnerships in which local entities and communities determined the nature and degree of international engagement, the need to partner more effectively with government at all levels (both national and local), and the importance of Northern support in strengthening Southern civil society.

Furthermore, reflecting a desire for a shift in power dynamics, several respondents envisaged a system in which the North/ South divide is replaced by a truly global sense of solidarity, and an appreciation that (particularly in relation to climate change) ideas of a uni-directional transfer of knowledge and resources no longer apply:

'No longer, I think, is it going to be this sort of blanket transference of resources from North to South, but increasingly simply between the world. We were asked to respond in Italy last year. We actually responded in the UK last year. We were asked to respond to Australia the year before. No longer am I thinking only in terms of South Sudan, Congo, the Middle East and Afghanistan.'

While the theme of a more localised humanitarian aid and development system emerged strongly, there was less consensus on the specifics of what this might mean for each organisation, and the extent to which it required a wholesale shift in each INGO's operating model (see Section 4 on localisation).

The next most cited theme revolved around a more 'networked' aid and development system. As participants expressed their visions of this, the key characteristics that emerged were greater diversification of actors, less hierarchical power dynamics, and a greater degree of collaboration (infused with humility and a respect for the ability of others to contribute meaningfully). One respondent described this as being 'locally positioned, globally connected:'
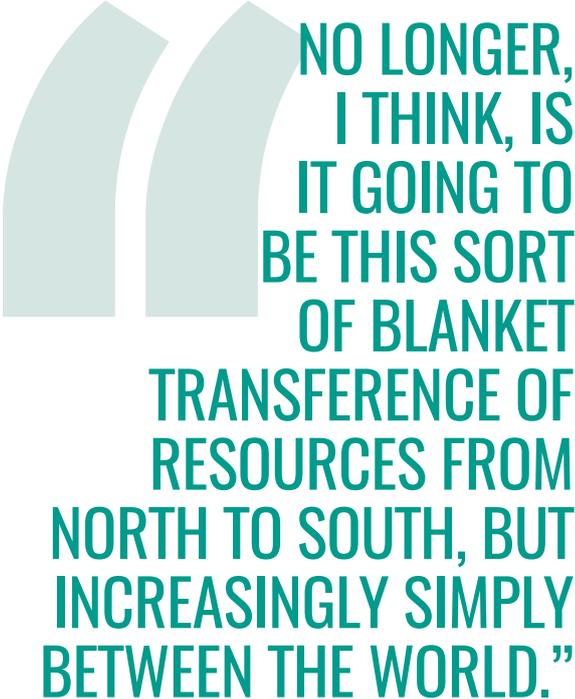
NO LONGER, I THINK, IS IT GOING TO BE THIS SORT OF BLANKET TRANSFERENCE OF RESOURCES FROM NORTH TO SOUTH, BUT INCREASINGLY SIMPLY BETWEEN THE WORLD."

"THERE'S DEFINITELY ROOM FOR MORE ORGANISATIONS TO BE WORKING TOGETHER. THE TIME OF THE VERY BIG NGOs IS DRAWING TO AN END."

'For me, the future of aid is network-based, it's platform-based, and – this has become my mantra – it's both locally positioned and globally connected. There's a lot of devolution and decentralisation: decisions are made as close to the ground as possible, programmes are designed as close to the ground as possible, resources are allocated based on those ground-level decisions. But there are common threads and ties between all of these local initiatives that bind the system together, not in a hierarchical way and not in an organisational or institutional way, but as a web, a network of expertise and experience and learning.'

In echoing this concept, several respondents also reflected on the diversity of actors within the network, acknowledging the role of civil society organisations of different shapes and sizes, but also reflecting on the role of actors outside of civil society who may be better placed to support common objectives.

'I think I best describe it as a well-networked, collaborative model. There's definitely room for more organisations to be working together. I believe that the time of the very big NGOs is drawing to an end.'

'I think if we're going to have a truly effective and sustainable aid and development industry, we're going to see a much greater level of differentiation between different actors, each playing a range of different roles.'

'A new reality is one where we have a thriving civil society whereby INGOs occupy a very useful place but a humbler and less dominant one across the global sector, working together with multiple agents, multiple organisations, multiple movements to strive for that common good. There's value in different sectors, different parts of society, so I don't think it's about saying NGOs are the only ones that can deliver this. The future has to be a mixed playing field, for shared objectives. Being able to see what the problem is and working out who are the best people to provide a solution to it, rather than just assuming that one sector has the overall majority stake in that.'

One respondent described this process as being like a dance, highlighting the value that diverse actors with differing perspectives can bring. Another highlighted the need for a cultivated system in which multiple actors could thrive, stressing the importance of understanding the wider system to create a productive environment for change:

'You need the partner to be putting up some resistance, otherwise you dance in a way that doesn't go with the rhythm. You need to dance from your force and the other force together, creating a movement that is not possible alone.'

'We're going with the cultivation theme. We are talking about the tree metaphor, a fruit tree, and we are saying, "at the end of the day we believe the system requires cultivation." For example, when cultivated with care, an orchard of fruit trees can produce abundantly. However, trees are vulnerable in environments that have been degraded, polluted, burned and overrun by other organisms. Thriving is a delicate balancing act that requires constant attention and care, in full awareness of the interconnectedness and cycles involved.'

A less prevalent but notable theme that emerged in the discussion around vision was that of INGOs that had reconnected with their stated purposes. Some respondents reflected that INGOs should do more to hold governments to account through advocacy and not just provide service delivery. Others felt that INGOs should rediscover their front-line humanitarian aid and development capability, or that they should re-evaluate what really brings about change and their own role in achieving this:

'I think NGOs currently do a lot of plug-and-play and gap-filling, but we need to do a lot more standing back and looking at what we're actually trying to achieve within a systems approach.'

'I think we need to be true around our value-add. It's a question we're asking in our strategic review: why do we deserve to exist?'

'Ultimately, I would hope some of these NGOs take their mission seriously. Seldom do I see an organisation actually acting as if it was truly wanting to make its mission a reality. Because if you were doing that you would take quite different steps.'

'We need to make sure that we use the power we have, the influence we have, to be more outspoken and demand change. In many countries today, and this of course is something that many organisations are struggling with, by doing programmes in specific settings in specific countries it's also possible for the governments not to engage. So are we upholding systems, are we giving governments a free pass not to invest in areas where they have a responsibility?'

2.1   THE NARRATIVE OF AID AND DEVELOPMENT

While a new vision for the aid and development sector emerged across many discussions with participants, the extent to which the sector has the narrative to explain this reimagined vision (internally and/ or to the general public) may be limited. A number of participants identified a need to offer a more nuanced narrative about aid and development, and the role of INGOs within that:

'We have got to reframe the public discourse around our understanding of each other and the world, and the way in which we support people in emergencies is part of how we do that. Local actors should feature in that narrative.'

'I would want to preserve a healthy amount of engagement of people in the global rich world with people in poorer places and poorer people in middle-income places because I think international solidarity is important. My dream is that that engagement would rely much less on the very simplistic charitable narratives that we rely on at the moment, because people would have a more sophisticated understanding of the way the world works.'

However, the tension between wishing to convey a different understanding of the not-for-profit sector, while still successfully fundraising, was a very present concern. One participant said that they did not believe that the desire expressed by some leaders, of wanting to change the narrative, was real:

'Because in the end they want to be an exception to that. The business model of INGOs in the UK relies on voluntary contributions and that fact will continue to be very influential in how those agencies communicate about their work to the public.'

WE HAVE GOT TO REFRAME THE PUBLIC DISCOURSE."

Another leader expressed the idea that diverting from the traditional narratives simply does not connect with the general public, and is not financially viable:

'To say essentially that we've got to have some other dialogue with the community, about aid and development, I think is naïve. We've tried dozens of them. My last organisation tried a major marketing campaign where they promoted just happy children of all sorts of different ethnic backgrounds, and it failed dismally. It was a complete financial disaster, because actually the community assume that the happy smiling kids that are doing so well don't need any help.'

That is not to say there is no movement on this issue of narrative, and the way in which INGOs present their vision of themselves and the work they do to a wider audience. One leader highlighted the fact that their organisation was actively seeking to change the way it communicates with the public:

'We decided that we need to look at our communication. Are the pictures and the stories that we are telling reinforcing this perception of, to be very blunt, the white man helping the poor black child? I mean that is not the reality, but that's how a lot of the images that we and other organisations are sharing are perceived. We have a very ambitious project where we are looking at all our communication, all our images, all our storytelling, to make sure that we are changing. Because how we tell the story to the rest of the world is critical; we can either be part of the problem or part of the solution, and we want to be part of the solution.'

Ideas of a future aid and development sector that is more localised, less hierarchical, more networked and collaborative and more equitable echoed through many participants' visions for 2030. However, the challenge of making those visions a reality is clear. For example, leaders are having to balance their desire to move away from a narrative that still centres on the role of the INGO in social change, with the realities of what works from a fundraising and community engagement perspective.

SUMMARY OF SECTION 2:

1. The key themes in respondents' visions of the future were:

    a. power dynamics shifting to a more localised sector;

    b. INGOs being less dominant, and actors more diverse;

    c. relationships being networked rather than hierarchical;

    d. INGOs being more connected with their stated purposes, and

    e. the sector being more proactive in meeting the needs of affected communities.

2. Developing a narrative that encompasses this vision and explains it to the general public is seen as being in direct tension with fundraising efforts for INGOs, and what connects most with the donating public.

THE LEGITIMACY OF INGOs

The legitimacy of INGOs is increasingly being called into question, whether it is by local actors highlighting what they see as the paternalistic behaviour of INGOs, the increasing profile of issues of racial injustice focusing attention on the 'colonial' nature of the global aid architecture, or public scandals related to INGO safeguarding failures. From where do INGOs draw their legitimacy? Are local actors the only ones who can enjoy legitimacy? And who defines which actors are legitimate, now and into the future?

3.1 LEGITIMATE IN WHOSE EYES?

In asking respondents who they thought would be the most legitimate actors in the aid and development sector by 2030, some respondents reflected that the idea of INGOs as legitimate is itself questionable. For example, INGOs have not been written into existence by formal international legal instruments:

'When we talk about legitimacy, I'm not utterly sure that NGOs are legitimate at all, other than in temporary terms; in terms of how they take the resources that they can best access from their donors and apply them in the most logical, rational way, with the consent of the people that they're trying to help, and hopefully the approval of the people they're trying to help, and therefore legitimacy can be seen as temporarily accessed in that way. But I think we are not the kind of internationally structured legal actors in the same way as the Red Cross or some of the UN agencies, or the Department of Peacekeeping, or something. We're not enshrined in international treaty in any meaningful way. I mean we all bang on about the Geneva Conventions, but try and find INGOs in there.'

In the absence of a more formal source of legitimacy, another respondent suggested that the legitimacy of INGOs (or at least their own perception of it) was largely self-conferred, and a product of an over-zealous embracing of INGOs' own marketing materials and narratives of success:

'Legitimacy up until now has been somewhat self-defined. It's been defined by those organisations that have the power, the marketing budget and sense of self-importance to basically say, "well, we are the legitimate voice, blah, blah, blah," and we have been very good as a sector at persuading ourselves that we have been the legitimate voice. We all know that legitimacy, like authority, is earned and is given, rather than just being self-appointed. So the question is, who is in a position to challenge the legitimacy of X and Y organisations?'

INGOs may embrace their own narratives of legitimacy, but might other sources confer this? In terms of identifying who might be the most legitimate actors by 2030, a number of respondents felt that the ability to deliver in the eyes of affected communities was the most critical criterion. It was suggested that ability to meet needs was the most important factor in legitimacy, irrespective of the origin or nature of the organisation involved:

'If I was sat in a rice field that I wasn't able to plough, in a way that could produce the yield that kept my children off the hunger line, I probably wouldn't really be bothered, to be honest. I'd want it to be done. Now that's not me, it's easy to say as a nearly middle-aged white guy sat in [a developed country], proclaiming what a community might want. But equally I think sometimes it's the outcomes that we need to fix on.'

'I think the legitimacy in the eyes of the people will depend on who is going to provide them with the best assistance when they need it. That's legitimacy for the people.'

'The actors, local or international, that deliver the services and the empowerment that the vulnerable people need: those who can meet needs and get people out of the vicious circle they are in have the biggest legitimacy. And of course, we do need to help build local organisations that can scale up, take over and meet needs. But there are a lot of people now just sitting around donor capitals and saying, "listen, I am from X country and I represent the people in need: you need to give money to me and not to these neo-colonial organisations." We're humanitarians; we're needs-oriented. There are a lot of organisations, international as well as local, who are not able or willing to stay and deliver in the trenches: they have very little legitimacy.'

'I think legitimacy in part lies in the eye of the beholder. If I want an NGO that goes out there when there is a drought and they manage to get things to people, the doctors of Médecins Sans Frontières, for example, as long as they're there then that's legitimate for me.'

For all the discussion of accountability to local populations, the significant influence of money and institutional donors was also raised by leaders in relation to questions of legitimacy:

'If we're talking about legitimacy, we have to square the fact that the money that we use does not come from the people that we are spending it on; it comes from a third party. It is almost wholly provided by international governments, largely by the big three; the US, EU and UK account for, what, 60%? Most of the other 40% comes from Western donors. So we have to be credible, and in some ways legitimate, in our use of the funds and how we account for them to those donors.'

3.2 LEGITIMACY AND LOCAL ACTORS

With many respondents citing a more localised humanitarian aid and development system as part of their visions for 2030, the question arises of whether it is local actors that hold the greatest legitimacy. As one respondent said:

'Organisations based locally and nationally will have the legitimacy. Then they will have to play out between themselves which of them have the most legitimacy and relevance and how they will assert themselves to create a greater power balance within INGOs.'

Another respondent highlighted the connection between legitimacy and proximity to affected communities and the issues at hand:

'Generally, in theory, the most legitimate actors are the ones who are closest to the problems that need to be addressed, and the higher up you get the more you need to be aware that you have to question the views that you put forward, and ask yourself whether that's actually an accurate reflection of what a child or a parent would say if they had the opportunity to speak at the UN or go and sit in FCDO and have a cup of tea.'

Interestingly, however, several respondents also said that while local actors may have greater contextual knowledge and understanding, those local actors may not necessarily be the most 'legitimate:'

'I think there's quite a rush to restructure or reallocate money or find other people you can just kind of hand stuff to, without really thinking what the responsible process for that is. Because in any country you think of, there are structures which are accountable and there are structures which are not, and we could easily just hand stuff over and say, "look – that's now locally held. They'll make their own decisions; they'll make their own judgements." Bearing in mind the scale of what we might be handing over, that might just be really irresponsible. I think there's a much more complicated discussion to be had.'

"WE COULD EASILY JUST HAND STUFF OVER AND SAY, 'LOOK – THAT'S NOW LOCALLY HELD.' [BUT] THAT MIGHT JUST BE REALLY IRRESPONSIBLE."

'And if there were more donors focused on accountability to affected communities rather than simply where your HQ is based, I think we'd start to get much more of a transformation in what we actually do. For example, a Nigerian organisation with headquarters in Abuja is, at the moment, not necessarily more effective or more accountable in its operations in, say, northeast Nigeria than an INGO with its HQ in a different country is. I think sometimes as a sector we get very caught up in theoretical debates and can lose sight of the impact on the ground; I'm not sure that we, that donors, that bloggers are asking the right questions.'

Others went a step further in saying that, while legitimacy can be a key attribute for an aid and development actor's success, the perception of legitimacy should not always be equated with being the best-placed to act:

'It's interesting to me, having worked for an organisation that had that legitimacy absolutely: it doesn't mean they're always right, and it doesn't mean they're always the best-placed organisation to get involved in things. It doesn't mean that they should always be the organisation you give the money to, just because they're the largest local organisation.'

What becomes clear in these discussions is that INGO leaders are reflecting significantly on the question of legitimacy. However, for many INGO leaders, the movement towards a more localised system, in which local connections and understanding may be more prevalent, does not provide any easy answer to the question of which actors will enjoy the greatest degree of legitimacy. Clearly the idea of legitimacy is important for INGO leaders, but not, it seems, absolute.

SUMMARY OF SECTION 3:

1. While INGOs may have previously enjoyed an era in which their legitimacy was not widely questioned, that era is coming to an end, or has indeed ended.

2. Legitimacy is very much a question of 'from whose perspective?' The perceptions of legitimacy of local communities may differ from those of institutional donors and the general public, the main sources of funding.

3. Capacity to deliver as perceived by local communities, along with local knowledge and understanding, were factors that leaders described as creating a perception of legitimacy. However, 'local' may not always equal legitimate, and indeed a perception of legitimacy may not always equate to being the best-placed actor to meet needs.

LOCALISATION

Since the Grand Bargain[12] commitments, the 'localisation' agenda has gained significant traction in humanitarian policy and discourse. It was widely reflected in many senior leaders' visions for the future of the aid and development sector. But many commentators have noted that things aren't really changing: we explored this perceived gap between policy commitments and reality. Are the barriers operational? Are they political? Or is there a more fundamental lack of consensus on whether localisation really is, or should be, the future of the aid and development sector?

12. The Grand Bargain is a unique agreement between some of the largest donors and humanitarian aid and development organisations, which have committed to get more means into the hands of people in need and to improve the effectiveness and efficiency of humanitarian action: https://interagencystandingcommittee.org/grand-bargain The Grand Bargain sets out 51 commitments (from donors and agency signatories), distilled in nine thematic workstreams, to provide 'more support and funding tools for local and national responders.'

4.1   DEFINING 'LOCALISATION'

In asking leaders for their reflections on localisation, it became clear that there is significant divergence on several fronts, including the extent to which localisation is required, the extent to which it is feasible, and what it might practically entail. Even the word itself attracted critical reflections, particularly in relation to the extent that localisation may actually further entrench rigid power dynamics:

'I'm not so convinced by the word localisation. I think everything is local and global. Why is it that if I'm in an organisation in Colombia it's local and if it's the same in the UK then it's not? You're betraying the world view that what matters is what is in certain places more than in others.'

'We talk about sharing expertise rather than localisation. We don't say we're coming in to localise. I hate that expression. It's terrible.'

'The problem with your question is that INGOs have never agreed on anything, so which INGOs are you talking about? There's a full range of views for sure, and I've heard them. And I think the definition of localisation has never been agreed upon.'

While the Grand Bargain undertakings may reflect a certain understanding of what localisation means in practice, there was a perception amongst respondents that it still very much meant different things to different people, and to different organisations (some even reject the entirety of the Grand Bargain's definition):

'I think this is one of the most interesting challenges in the aid and development sector. Mostly because no-one's really being very honest in relation to the debates for the most part. And everyone has a different interpretation of what they mean by localisation.'

'When you come to localisation, even when you define it like "25% of your funds being spent through local organisations," I don't see that as localisation. This is still transactional; it's sub-contracting. That's not for me.'

Indeed, there was a range of views on what a more localised humanitarian aid and development system might look like. For some leaders, it meant hiring more national staff and relying less on international workers, whereas others saw the localisation agenda as being about a more fundamental shift in the role of INGOs within the aid and development system. A particular point of contention was whether having local entities within global INGOs contributed to localisation:

'There's also sometimes a total misunderstanding within some entities within the NGO community of what localisation is. I witnessed recently the head of a major NGO talking on the subject and saying, "well, we were actually thinking of starting an affiliate in that country." But that's not a conversation about localisation, that's you expanding your global network.'

'I think that in the end it's about power and accountability, and if you create a legal entity locally but you're still in some ways accountable or there's still a dependence or you're still a decision-receiver, then I'm not sure that's really fulfilling a vision of localisation.'
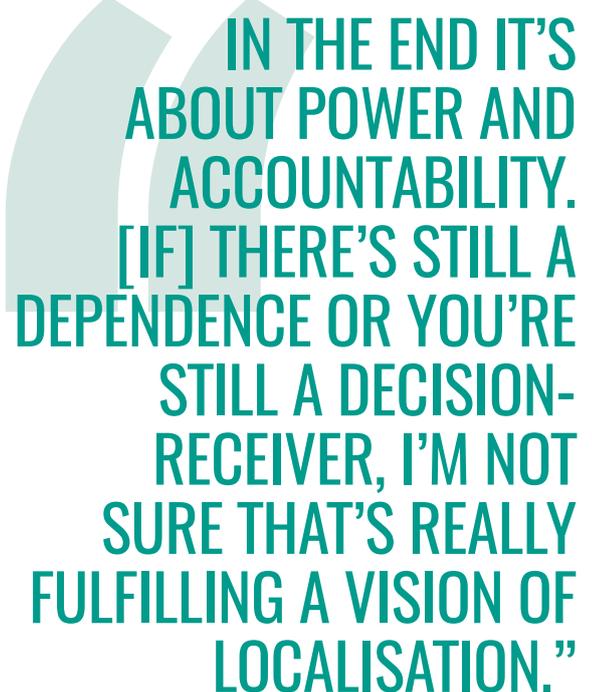
> **IN THE END IT'S ABOUT POWER AND ACCOUNTABILITY. [IF] THERE'S STILL A DEPENDENCE OR YOU'RE STILL A DECISION-RECEIVER, I'M NOT SURE THAT'S REALLY FULFILLING A VISION OF LOCALISATION."**

However, one leader reflected on the extent to which an India-based member of a global organisation, with a separate legal entity, could reflect the localisation agenda:

'Now if you're very pure about it, you'd say not at all. It's an international NGO and so on and so forth. But I think that's too black and white. If the local entity has agency over its own future, what it does, how it programmes, writes its own strategy and reaches out to other parts of the INGO family for funding for that strategy, and has determination over its own future and what it does, and has the benefit of some of the resources from the wider organisation, is that bad? I don't know.'

Another leader saw such an approach as an opportunity to maximise the best of contextual knowledge and expertise with global resourcing:

'Just to put my biases on the table, I think that actually in those sorts of structures you can have your cake and eat it too. You can have a situation where you can be very responsive to local communities, very contextual in local communities but at the same time, getting some of the benefits of being a global organisation.'

While localisation was often discussed as a potential future state, some participants contended that their structures were already 'localised' and had been since their inception. As a leader of one faith-based organisation put it:

'It's five years give or take since the Grand Bargain in Istanbul, and it's not obvious there's been huge progress. I think we would hope and argue that we, alongside a range of other faith-based NGOs, do take localisation very seriously because for us it goes back to who we are and who we think the agent of change is. And for us, and I think this would be true of a number of our faith-based brethren, the agent of change is not us. The agent of change is those local actors and particularly local churches, bringing transformation working with and through those communities. Therefore almost as part of who we are, we're committed to localisation because it's just how we see the world and how we see the theory of change that we're working to, rather than that being the way we're being pushed by funders or outside agencies.'

4.2 BARRIERS TO LOCALISATION

While discussion on localisation is plentiful in the sector, the evidence of significant change is far scarcer. Among the most frequently cited barriers to localisation was the lack of donor willingness to fund it. Also frequently mentioned was the strict risk and compliance approach from donors, which makes it difficult for INGOs to hand more autonomy to local actors.

However, several respondents also raised the extent to which the mentality of some INGOs (with INGOs seen as agents of change and/ or as the dominant source of knowledge and capacity) was yet to shift in reality. They argued that INGOs needed to play a more proactive role in shifting donor (and public) perceptions.

Perceptions of local actors' capacity also emerged as a central issue – some respondents argued for a greater appreciation of it, while others cited a lack of local actor capacity as the 'elephant in the room' when it comes to localisation. Many respondents expressed the idea that there was a tension between a donor narrative that was supportive of localisation and the reality of donor funding and donors' risk appetites, particularly where that funding was channelled through INGOs as intermediaries.

"YES, DONORS DO WANT MORE LOCALISATION... AND MORE INFLUENCE BY LOCALLY LED ORGANISATIONS, BUT THEY'RE NOT PREPARED TO FUND IT."

'Yes, donors do want more localisation, more locally led, humanitarian and development responses, and more influence by locally led organisations, but they're not prepared to fund it.'

'One of the challenges that I hear is that the donor appetite for localisation doesn't seem to be where it needs to be for us to be able to change. And this has very much to do with risk and accountability and delegation. And of course if the donors are still saying to organisations like mine "yes, we want you to engage with partners and we want you to be more of an intermediary and not so much implementing programmes yourself, but we still want you to be responsible for a lot of things, including risk," I think that's a real threat to the whole localisation agenda and to that equal partnership that I think has to come as a result of it.'

'We are in such a bureaucracy right now. One of the barriers to localisation is that risk being transferred results in more due diligence, more reporting, which is more burdensome. It's a barrier to entry for organisations on the ground.'

This perception of a contradictory narrative from donors leads to INGO leaders expressing a sense of being 'caught in the middle.' Some respondents were sceptical about the extent to which it was possible for INGOs to influence donors over their approach to localisation:

'I don't think the INGO sector has been really clear enough about what's within our gift as opposed to what's within the donor's gift, and where we sit in this.'

Other respondents highlighted where they felt that INGOs need to take greater responsibility for their own role and actions. One respondent argued that INGOs needed to play a role in shifting the public narrative around aid and development:

'We view donors as having the power to change things, and they are frustrated by the same things that we are, so why aren't they changing them? I think we have to be aware of the accountability and governance dynamics that also affect donors, so they can't change things in a hurry either. And they also rely on public and political opinion, which is where we come in. We have a big responsibility to shift public and political opinion away from things that support our old and current model, which is faith that an NGO will be doing great work even without any evidence to prove it.'

However, for all the outside factors that may make pursuing a devolution of power challenging, the extent to which INGOs genuinely believed in the localisation agenda was also raised as a significant hindrance to change. One respondent asked whether there really was a genuine belief within INGOs that local actors could and should take the lead:

'I think we've got localisation in the ecosystem already; the problem is scale and what's preventing scale? Expectations of funders and probably that's both an implicit and explicit issue of power that lies within the sector. Are we willing to let go? Do we really genuinely believe that our local partners know better and that they have the innate leadership and knowledge to be able to effect the change that they want to see? I think that belief system is still very much in the 19th Century, but on a move forward, which is why we all have good examples of what localisation could really look like. But both mindset and funding barriers and expectations are getting in the way, and I wonder which is the strongest actually.'

Indeed, the issue of local actor availability and capacity (or lack thereof) was a key topic of discussion. Several respondents expressed the view that this was something of an 'elephant in the room' in the localisation discussion, and that an absence of local actors of the size and scale required to deliver meant that localisation was simply not a reality in many contexts.

'When there are local alternatives, let's go with them. But this fantasy that there are a lot of local organisations with large unused potential for crisis delivery is not really existing, they are not there now. I think we are driven by field realities, not by a self-searching discussion in London or Washington or New York. We're driven by field needs, really. But we have too late realised that we need to help build future local capacity in crisis-prone areas.'

'I find myself in discussions where people are going "we work in partnership," and I say "we do, it's great, and we want to do more." But I actually don't think that's necessarily always the answer. Most places where I've worked these partners don't exist, and often you meet other organisations that do a lot of partnership, and they're nearly always just in the capital. And actually, the places where we would be, there aren't partners in that same way; it's a much more complicated thing.'

'This might be a controversial thing to say, but I also think we have to be realistic. It's really not the case that there's a whole set of partners of equal quality who are sitting there waiting to take the money and do the work, and it's just us kind of greedy-eyed INGOs that are in the way of it. That's just not the reality, and I think sometimes people don't want to say that or we slightly lose sight of that. We do have to change, but we also have to change in a way that doesn't impact on meeting the needs of people who are living in a crisis situation.'

While external elements such as donor approaches and local capacity may be key in the discussion around localisation, some leaders questioned whether these challenges might be convenient reasons not to push for greater change. While acknowledging the need for donors to be accountable to taxpayers, and that it was unlikely that donor risk appetites would shift significantly, one respondent suggested that INGOs need to be bolder in their actions, even in the face of such barriers:

'I feel like sometimes INGOs or organisations are hiding behind that excuse not to go further. We're hiding behind "the donors are saying this; this organisation is not able to do that." Well, maybe they are and maybe… yes, the risk will remain with us, but I still think we need to do it.'

> **" I THINK WE ARE DRIVEN BY FIELD REALITIES, NOT BY SELF-SEARCHING DISCUSSIONS IN LONDON OR WASHINGTON OR NEW YORK."**

4.3 THE SIZE AND SCALE OF INGOs IN A LOCALISED SYSTEM

What would INGOs look like in a more localised and diverse system? Respondents agreed that INGOs would need to look and act differently. However, in recent decades they have prioritised organisational growth and increase in scale and reach. Some respondents (in the quotes below, both from single-mandate organisations – i.e. INGOs that have a sole focus, such as disaster relief, rather than a combination of relief, reconstruction, development or peace-building) felt that this approach still makes sense, as growth directly reflects the capacity to serve crisis-affected communities:

'I will not demonise growth, because in the end, growth is providing more assistance to people. And as the needs coverage is quite low, it's a bit cynical to say to organisations "you should not grow. Therefore, you should not help more people."'

'We still can and will expand to meet unmet needs and still have a lot of "can do" attitude. As needs have grown dramatically in recent years, our operations, staff and budget have grown commensurately. We'll have a bigger role in the future. Because the needs are growing before our eyes, and the moral and humanitarian imperative demands that we step up, in partnership with others.'

In contrast, some leaders said that they were expressly shifting away from a growth mentality in recognition of the changing funding landscape.

'Funding is no longer an indicator of success.'

'We have explicitly decided not to have a growth target. We don't have an overarching growth target for any of our funding streams.'

'Now we're going to talk to our board about success within the next five or ten years being 200 million (dollars) less because our local partners are going to be 250 or 300 million (dollars) more, and if we could do that it would be seen as success.'

'I think that the age of growth for NGOs should be over, and that COVID and the changed funding streams, changed priorities are going to force us to really confront that, if an agency hasn't done that already. We've made a very clear shift from growth towards quality and towards focus and towards strategic interventions, and I think a lot of my peers would probably mirror that direction of travel as well.'

'I suspect that we will see far less of the mass territory grab of big INGOs that we have previously seen. INGOs with a portfolio of 120 country programmes, all of which are huge. I suspect it's just not going to be sustainable; a) because of funding; b) because of the internal dynamic within some of those INGOs, which will mitigate against some of that; and c) because in some parts of the world the countries concerned do not want that. Fair enough. How long that lasts, with the effects of climate change, is a different question. But I think that that sort of big, bulky country portfolio model is going to be eroded. It's not going to disappear, but it will be eroded.'

Finally, as one leader pointed out, growth could be seen as varying in legitimacy, depending on the context:

'You have to be clear – it's growth, but to what end? Growth is not automatically a bad thing, scale is not automatically a bad thing, but if you are crowding out local action in places where the soil is fertile for local action, then that is a problem. And I think the soil for local action is not very fertile in South Sudan or Central African Republic, much that I would wish it was, so it is okay to have international action there.'

4.4 PERSONAL LEGACY

While some organisations and their leaders may have reached a level of comfort in moving away from a growth mentality, taking drastic action to reduce organisational footprint and staffing may be another matter altogether. Several respondents raised the consequences for leaders, who are grappling with calls for sectoral change on the one hand, and on other hand are contemplating being the face of efforts to diminish global brand and significantly cut jobs:

'I think we, as leaders, understand on an intellectual level that the aid sector should not and cannot be the way it is. But on a practical level, no one wants to be that leader that cuts a third of the jobs and shrinks the organisation. It's easy to weave convenient narratives about how we're all trying to work ourselves out of jobs, but very few want to see that through and make that their legacy.'

'Can I go from being a half-a-billion organisation to a 100 million: can I do that? Can I actually look at those numbers on a piece of paper and say, yes, I feel comfortable with this?'

'No one is going to pat me on the back for devolving power. It must be possible to reimagine this.'

This tension between traditional incentive structures and the personal desire of CEOs for more transformational change seems to be a real and human piece of the puzzle, in terms of the factors that influence what INGOs might look like in the future.

Many INGOs are critically evaluating their future 'value-add' in a more localised aid and development ecosystem. But INGOs' understanding of 'localisation' is not uniform – some interpret it as a greater diversity of models and approaches, while others argue that a 'localisation light' approach simply placates those who are advocating for change, while achieving little real shift in power. A perceived lack of local capacity is still commonly cited as a barrier to localisation, but inherent in that assessment may be a notion of 'capacity' that is more heavily tied to donor compliance than to meaningful programming. The devolution of power inherent in localisation is also a personal challenge for leaders as it means rejecting many of the traditional metrics of successful leadership.

SUMMARY OF SECTION 4:

1. Leaders understand 'localisation' to mean different things, on a spectrum from investing in INGOs' national staff members to a wholesale change in the way in which INGOs operate.

2. The tension between a donor narrative that supports localisation, and the perceived reality of a lack of funding or risk appetite for it, was cited as a key barrier to localisation.

3. An absence of local actor capacity was perceived as the 'elephant in the room' – it was a frequently expressed view that this was a challenge to progressing localisation, though there was a perception that it was an 'unpopular' view to express.

4. While INGOs discuss greater localisation, there is a disconnection between this and the implications that it might have for INGO size and scale. While leaders of a number of organisations say they are shifting away from the growth mentality of recent decades, for many more organisations growing operations is still seen as a marker of success.

5. Leaders are grappling with the personal consequences of significantly reducing operational footprints, budgets and jobs within their organisations.

FUTURE FINANCE

While there have been claims that the 'golden age' of INGOs was over more than a decade ago,[13] they have continued to receive funding and be a prominent part of the aid and development ecosystem. However, with rising nationalist politics and disruptive global events such as COVID-19 reducing the commitments of traditional donors, the financial outlook for INGOs looks distinctly challenging.

13. Roche, C & Hewett, A (2013): https://devpolicy.org/the-end-of-the-golden-age-of-ngos-20131122/

We asked INGO leaders 'what do you think will be the main sources of funding in the aid and development sector by 2030, and how will INGOs be funded?' Most of the interviewees did not expect a significant shift from the major donors in the next decade. A consistent narrative was that 2030 is not far in the future, and therefore the likelihood of a significant shift is minimal:

'You see, 2030's not that far away. It depends on how long you've been around, I guess, but I do think that government sources of funding will definitely continue to be the main sources of funding.'

'Nine years isn't long, really. I wrote a paper on this for my Master's about cross-sector collaboration, new forms of financing, and that was probably eight years ago. And we're here eight years on and it's still not changed; if anything we've probably gone backwards in some respects.'

'I think that in 2030 we will be more or less at the same place as today. I don't think that ten years is enough timeframe to drastically change.'

5.1   GOVERNMENT DONORS

The general view is that funding for INGOs in 2030 will continue to come from donor governments that have traditionally funded humanitarian aid and development assistance. By absolute value, the US, Germany, the EU, the UK and Japan are the biggest providers of Overseas Development Assistance (ODA).[14] This type of funding is commonly packaged as grants (although contracting is becoming more prevalent), which are generally competitively tendered (meaning that INGOs and NGOs compete for the same funding), and often linked to areas of political interest for the particular donor government.

The major concern for INGO leaders is that this type of financing is diminishing compared to global needs, making it hard to maintain the current size of their operations, let alone grow them to meet increasing demand. 2020 saw a record shortfall in funding of humanitarian assistance of almost $19 billion,[15] part of a downward trajectory that has continued since 2018. Official Development Assistance (ODA) since 2005 has stagnated; it accounts for the same percentage of Gross National Income across the members of the OECD Development Assistance Committee in 2020 as it did in 2005.[16] The FCDO, which plays a significant role in INGO funding, has cut its budget for ODA from 0.7% to 0.5%. Respondents considered the effects of this:

'I think that there will always be big government funders with more or less money depending on the times. They're the only ones with large amounts of consistent money that you can get as an organisation to support your major initiatives and operations. I don't think any of us will find that level of funding from too many other sources, so we will still need to rely on that to some degree. At the same time, we need to acknowledge that it's going to be a shrinking pot.'

'The ODA sector is, some would argue, approaching the peak oil analogy. I personally don't think ODA will shrink. I think the nature of it's cyclical, it is seasonable, and you have moments like in the UK right now which are just out of the normal logic and picture of things. But generally speaking, if you take the trend over the last 30-40 years, ODA has, in a sense, had a long-term growth curve.'

More competition for funding from traditional sources, without obvious viable alternatives of similar scale, makes INGOs ever more reliant on securing these funds. While concern was expressed about the power that certain donor governments wield as a result, only a few INGO leaders seem willing to challenge major donors strongly on their approaches to funding:

14. https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/official-development-assistance.htm
15. https://devinit.org/resources/global-humanitarian-assistance-report-2021/chapter-two-humanitarian-and-wider-crisis-financing/
16. % of GNI was 0.32% in 2005 and 2020 (preliminary results): https://public.tableau.com/views/ODA_GNI/ODA1960-2020%3Alanguage=fr&%3Adisplay_count=y&publish=yes&%3Aorigin=viz_share_link%3F&%3AshowVizHome=no#1

'Appeals are consistently underfunded by 50-60%, so the UN, INGOs and NNGOs are competing for a slice of the cake that is so disproportionately small for the scale of what it's trying to do that inevitably you get into this territory of competition for limited funds.'

'I think there are some inherent limits to how much we can change, and not just because we're change-resistant, but largely because of who we take money from and what their expectations are.'

'Can we say no to funding – we would like that money, but we cannot take it? It does not go well with our values. We agreed with trustees that if we are not going to go after growth, then there is a dip – we agreed with the board that funding is no longer an indicator of success.'

If the overall size of funding from traditional donor governments does not increase, where will INGOs access other funds to address the challenges of the 21st century? The general sense from respondents is that their organisations do want to diversify funding. Some respondents cited the role of big philanthropy and access to funds from high-net-worth individuals as possible opportunities:

'I believe private philanthropy will probably continue to grow. The way I see it, the beauty of private philanthropy is that it probably has more flexibility. It doesn't always act like that, but it has more flexibility and more risk funds than anybody. I mean the money is there; individuals have made their fortunes.'

'Rich people getting richer, poor people getting poorer through corona, and so there is a lot of work to be done with reaching high-net-worth individuals. I think we will see more funding coming from there.'

The role of corporates and the private sector also seems to be an area of growth. This is particularly apparent from the focus of corporates on the Sustainable Development Goals (SDGs) and the pursuit of Environmental, Social and Governance (ESG) activities.

'The private sector itself, the for-profit private sector, is growing and growing in confidence in terms of its role in development.'

'People are aligning their spending more with corporations that they feel are ethically aligned or value aligned with them. I think that will unlock a different source of the funding. There will be more and more CSR and stuff.'

Whilst these might be areas of potential funding for INGOs, most respondents did not believe they would outstrip traditional donor governments. The return on such investments accrues slowly, with long lead-times as mutual trust is developed and the skills and knowledge that are required to manage the new relationships bed in.

'New financing is not an easy path. One of our visions is that we should use official development assistance as guaranteed funding up against ill-witted financing from the private sector. And that requires a hell of a lot of work, with the institutional donors as well, to move them in that direction.'

Some respondents questioned whether, whilst corporate financing of INGOs may make a 'good news headline,' it is more about internal change rather than external 'giving:'

'I think the nature of that corporate funding is not giving lots of money to INGOs on the whole. The change that the corporate sector will make in us achieving the SDGs is actually in them changing how they work, rather than necessarily writing enormous cheques. I think that can be a bit of a false dichotomy.'

'New money' from other sources can also be hard to come by. Whilst INGOs continue to hunt for money in the Middle East, China and other places, some respondents believe that this will never really come to fruition:

'The current funding model has again proved incredibly resilient and resistant to change. I have been hearing about China money and Saudi money and corporate money since I was working in Bosnia in '96. None of those have really transpired ever, and I suspect that's probably largely true going forward.'

The lack of income at scale from 'new' sources could be to do with a lack of knowledge (and perhaps lack of willingness to engage). China, for example, was discussed at length with one INGO leader who had significant experience there. It is easy for Western organisations to judge China too quickly, they said, without taking the time to invest in understanding the approach that China has taken to its own development and that of other countries:

'I think that we need to learn from China. But it's hard, harder than it's ever been for Chinese academics and civil society to collaborate for a range of reasons, including the political climate and COVID. The space for international civil society to engage, particularly on governance and human rights issues, has shrunk. I think without diverse Chinese views we're missing a massive and very important perspective on how development happens, because China's developed more quickly than anywhere else in the world. I think that the Chinese government is actually quite committed to learning in quite practical ways, so policy is very well informed by what's worked elsewhere and is not always limited by ideology, in surprising ways. But there is still a great need for INGOs to collaborate and support Chinese civil society, especially as China has become more assertive on its view of human rights and its desire to reshape them globally.'

TRADITIONAL DONATION INCOME MIGHT BE HARDER TO COME BY IN A SATURATED MARKET."

If they are able to access new sources of money, is it reasonable for liberal INGOs to accept funding from seemingly illiberal sources? Should they accept money from governments with poor human rights records even if they will be using that money for good?

'Countries in Asia and the Middle East are growing their investment and funding. It can be a challenge for the sector if some of the big donors in the future are not standing up for human rights. Being human rights organisations – how do we engage with them?'

Though INGOs are looking beyond their current sources of funding, income-generating models were not widely discussed. However, some were keen to comment on why it might be an area of growth, and the approaches they are taking:

'Traditional donation income might be harder to come by in a saturated market, but earning your income through social enterprises or investment vehicles presents really interesting opportunities for INGOs.'

'Don't just count on the resources that were there: let's access impact investing, social development bonds, local community contributions and things like that.'

'We have massively diversified our different financial models, and I would say that one of the reasons we've done so well through COVID is because we have got such a diversified financial model, and it's made us much more resilient. Where we've had falling aid and development, and we've got really poor fundraising returns, then we've been forced to be very diversified and we've been very successful at that.'

We also heard very little on innovative financing, including the role of Development Finance Institutions (DFIs): government-backed institutions that invest in private-sector projects in low- and middle-income countries (examples include the World Bank's International Financial Corporation, the US Development Finance Corporation and the UK's CDC Group).

5.2 DONATIONS FROM THE PUBLIC

Donations from the public are the 'lifeblood' of many international INGOs. They are a public statement of trust and confidence, the organisation's most fungible resource for financing strategic investments or enacting change, and their primary means to make independent decisions to further the cause they work for. Furthermore, INGOs frequently use these funds to leverage government funding as a way to enhance the scale and impact of their work. As such, they are often the most 'highly valued' resource available to INGOs, and attracting such public donations is both an expensive and highly competitive business, that relies heavily on marketing and public relations.

A number of respondents spoke about the importance of the general public as donors in the future funding of the sector, and anticipated that individual giving would continue, on a varying scale depending on the organisation, to be an important source of income:

'I think the public will not disappear and die, though some people think it's going to. I think the UK public in particular are very generous when it comes to humanitarian responses, and I think they will continue to be because they can relate to it.'

'In terms of individual giving, I see that as continuing to grow and grow slowly. So growing: despite challenges such as recession, COVID and everything else, giving to humanitarian causes in emergencies has either remained steady or grown, which is interesting. We're all experiencing the squeeze here in terms of livelihoods, income and everything else but donors, and particularly committed donors, continue to give to causes and emergencies when and where they see a genuine need.'

A smaller number of respondents were less positive in outlook. One respondent, keen to recognise that large numbers of people in the UK self-identify as regular donors, felt that this trend had probably already reached its peak:

'81% of the British public say they give to charity on a regular basis, making the UK one of the most generous societies in the world. This is good, but I can't see how we're going to get much better penetration on public fundraising, particularly given that we've seen falling levels of support for international development within charitable giving. So you could also say that we've had peak individual fundraising.'

Some of our respondents suggested that faith-based organisations may be more resilient in terms of maintaining and growing public donations. One leader of a faith-based organisation noted that over 50% of its resource comes from public donations: they are actively looking to grow this funding stream in the coming years. Another respondent, from a non-faith-based organisation, compared their own income from individual donors with that of faith-based organisations:

'Donated income from public fundraising has either plateaued or decreased for many INGOs. But many faith-based institutions have bucked that trend, because they have been able to access their faith-based networks whilst also raising institutional income over the last 20 years.'

It is possible that faith-based organisations are better able to weather media storms than secular organisations:

'I've always noticed that faith-based organisations have much more flexibility. 80% of our funding comes from individual donors: because of that, whenever we have challenges, our income does not necessarily go down. Our income went up by 30% last year despite the challenges we had.'

Another respondent commented on the resources that are required to chase public donations, and the small return on investment that these represent for their organisation:

'We are relatively small. The grants that come to us from UNICEF, from FCDO, are effectively going to the partners that we need to support – we have to pay for that support with what we can get from the public, and that money is really expensive. If you get a 3:1 return on unrestricted fundraising you're doing pretty well.'

Looking to the future, respondents also commented on the changing demographics of individual donors, with a growing discrepancy between the expectations of more traditional donors and those of a younger and more technologically savvy generation:

'We get less than a third of our funding from the public. Of that, about a third comes from church-related sources. Quite a few of our donors are older and very, very loyal, but there's a dynamic which is changing there over time.'

'You can divide your generations roughly in three. In the UK and Ireland you've got the older generation who support NGOs out of a sense of duty and responsibility, and are more or less unquestioning. Then you've got your more middle-aged generation who are a lot more sceptical about where they're putting their money, and they want you to demonstrate accountability. Then with the younger generation, it's much more about shared, common value. They don't necessarily want to just give you money to do what they trust you to do. They want to co-create solutions, and I think that's going to be a game-changer in the long run.'

Another aspect of the changing public donor landscape is that for some respondents, technology is increasingly changing the way that individual donors operate, affecting both who they give money to and how it is given. One respondent touched on the ways in which technology is facilitating community-to-community fund transfers, cutting out the large INGOs as mediators, and enabling funds to be quickly raised and transferred in times of crisis.

'I've increasingly seen funds being raised among communities in places like the UK, let's say the Yemeni community here, and giving directly to individuals or businesses in Yemen. A bit like remittances but with an aid angle. I see that space growing, because technology and communications allows that to happen. I think that direct connection between communities, based on need and philanthropy, will grow.'

Whilst some leaders acknowledge that there will continue to be donors who prefer to donate to recognisable actors, technology is seen as increasingly facilitating more direct and informal forms of fundraising:

'I think that with technology that will only grow, in terms of how funds are transferred and so on. That doesn't mean that there aren't still donors, wherever they are, who would feel very unsafe about giving in that way, and still want to give to a traditional actor. There's always going to be a role for organisations like us, but I think we're going to find it increasingly difficult to compete with such a direct approach.'

"WITH THE YOUNGER GENERATION IT'S MUCH MORE ABOUT SHARED, COMMON VALUE. THEY WANT TO CO-CREATE SOLUTIONS AND I THINK THAT'S GOING TO BE A GAME-CHANGER IN THE LONG RUN."

One respondent spoke about the time it takes to build confidence in new technology and ways of working, but suggested that if smaller organisations, perhaps operating out of the global South, can build the donating public's confidence, then the public may start to donate directly to those in need, bypassing major INGOs:

'People are comfortable with organisations, they know the contacts they have, they feel more comfortable giving to an organisation that is reputable. If smaller organisations can create that sort of confidence in donors, then maybe donors will switch. We all switched to online shopping when we were confident that we would not be conned and there are reliable websites and so on. But initially everybody was reluctant.'

Unless INGOs can maintain a healthy and sustainable balance between the restricted, compliance-heavy government funding they receive and more expensive to secure, but highly flexible public donations, their ability to make independent decisions and enact necessary change becomes very limited.

I THINK THAT DIRECT CONNECTION BETWEEN COMMUNITIES, BASED ON NEED AND PHILANTHROPY, WILL GROW."

A stagnation or reduction in traditional donor funding will be likely to increase the pressure on INGO delivery models, but it is questionable whether leaders view alternative business models as genuinely viable in transforming their organisations. Whilst philanthropy, corporate donors and new donor governments will continue to be pursued, there are moral, operational and strategic dilemmas over how much influence these will have on INGO financial models.

SUMMARY OF SECTION 5:

1. Most INGO leaders believe that the funding landscape will not change significantly over the next ten years. There continues to be a reliance on traditional donor funding.

2. 'Big philanthropy' and high-net-worth individuals are expected to be bigger sources of funding over the next ten years, but will not outstrip the traditional donors. There are similar expectations around the role of Chinese and Middle East funding, coupled with the challenge of working with some governments given their human rights records.

3. New sources of income-generating commercial activity are being pursued by some INGOs, given the barriers that they face in accessing traditional sources of income.

4. Some CEOs spoke about the changing landscape of public donation, and especially the way in which technology is making possible more direct, informal forms of support.

5. Unless INGOs can maintain a healthy balance between government funding and public donations, they may be limited in their ability to change.

LEADERSHIP & GOVERNANCE

INGO leaders may be seen as having the ultimate power to set the course of their organisations and dictate their future direction. But many are leading organisations within large, global 'families,' in which governance structures are complex and multi-layered, and the nature of those governance structures is not widely understood. In particular, the role of boards in setting the strategic direction of INGOs is a pivotal but perhaps underestimated and not particularly visible factor. As with finance, are the governance structures of INGOs contributing to their 'stuckness'?

6.1 GOVERNANCE STRUCTURES AND BUILDING CONSENSUS

Highlighting the challenge of leading a complex, global organisation, one leader reflected on how difficult it can be to gain consensus in their organisation on the level or nature of change required:

'Is there consensus? This might turn into a therapy session.'

Others echoed the difficulties of agreeing a common strategic agenda across multi-member federations, given the diversity of perspectives, and multitude of cultural contexts:

'Most of us INGOs are families and federations of one kind or another. Certainly in our case, and my impression is in at least some of the other INGOs, that's quite a challenging model within which to take radical decisions and then also deliver on them, because we have 21 members around the table now and there's inevitably a spectrum of views there.'

'Money unfortunately speaks very loudly, certainly in my organisation and I think in many of the others, and you've got to have an incredibly large group of people that believe philosophically the burning platform created by Black Lives Matter and others is so strong that it needs to transcend all other interests in the organisation, and we have some members that deeply believe that and we also have other members (I'm sad to say) where it's like it's not real for them. I mean they see it and they empathise, I'd say, and intellectually they go on part of the journey, but to really get to the point where they have to change and their part of the organisation has to change, I've not seen that fully.'

Once large bureaucracies are set in place, it can be hard to shift away from those structures. However, recognising the challenges of multi-member models, one leader indicated that those relationships between member entities were under revision in their organisation, rather than being set in stone:

'There's quite an extensive conversation going on this year around what it means to be a federation. Are we just a loose network, or are we actually going to be a federation? Do we want to be more uniform – do we want to be more of a single, coherent, global brand that might mean that we were a bit more top-down? What are the most effective ways of achieving coherence without concentrating power? That's a live debate: it's very tied-in with looking at issues around financial sustainability.'

In contrast to the large, multi-mandate, multi-sector organisations, smaller, single-mandate organisations seemed more able to change and adapt, given lighter governance structures and less organisational infrastructure:

"WHAT ARE THE MOST EFFECTIVE WAYS OF ACHIEVING COHERENCE WITHOUT CONCENTRATING POWER? THAT'S A LIVE DEBATE."

'I'm fortunate in that my organisation is relatively small and relatively flexible. There's not that many of us, so we can make decisions quite quickly, which is useful. We are in the luxurious position of being able to look at the horizon at the moment and think, "actually, we can pretty much configure ourselves to whatever we think it's going to look like at this point." Unlike some who are burdened with a massive structure; a super tanker that is really hard to turn. We are not looking at building up a portfolio of country programmes. There's no need for a new entrant in that market.'

However, it may not necessarily be the case that only smaller organisations can experience this degree of agility and adaptability. While global INGO structures can be cumbersome to navigate when it comes to building consensus for change, the extent to which decision-making is devolved closest to the relevant context was also seen as affecting an organisation's responsiveness:

'I think if we were able to, within the larger NGOs, distribute the power and the decision-making much more to our local offices and give them much more autonomy around what they can do within their own communities, and if those parts of our organisations were much more localised, I think that could actually make a difference.'

> # WE ARE RELATIVELY SMALL AND RELATIVELY FLEXIBLE… UNLIKE SOME WHO ARE BURDENED WITH A MASSIVE STRUCTURE; A SUPER TANKER THAT IS REALLY HARD TO TURN."

6.2 LEADERSHIP DIVERSITY

In discussing the question of who the leaders of INGOs are and whether they are the best people to face the future with confidence, many respondents indicated that diversity of leadership was still an area where significant change was required (though progress had been made in a number of organisations). This sense that leadership profiles generally did not reflect either the diverse staff of organisations or the communities in which those organisations worked was encapsulated by one leader in their response to the question, 'do you feel your existing leadership composition is optimal for ensuring your INGO can face the future with confidence?'

'No, we're trying to get better. Have any of your interviewees said yes to that question?'

While there was a general consensus on the importance of greater diversity amongst INGO leadership, understanding what that means in particular contexts requires some close attention. Several respondents reflected on the idea that diversity needs to be considered from many different perspectives, to ensure a greater richness of background and life experience. One senior leader who is a person of colour noted:

'I never studied in Oxford, but I still studied at King's, which was in London. And, quite frankly, I don't think I'm that diverse to you guys. I was born and raised in London. I went to King's College. I went pretty much through the same upbringing as most people would have done in East London at the time, which was mostly white people. My friends were mostly white or black. And I think, looking at that board composition and leadership composition, what really makes up diversity? It's not just colour and gender and socio-economic background. You can very well have an Asian person like me sitting on your board. I might even support the same football team as [the interviewer], have gone to the same school as [the interviewer]. Really, how diverse are we in that regard?'

Another respondent noted that while leadership composition was unlikely to be very diverse across many organisations, there was a growing realisation that this needs to change to better reflect organisations' professed values.

'The question about whether or not the leadership we have now is fit for purpose for the organisation that we'll need five years from now: well the answer to that is probably "no," but it's probably "no" in most organisations to be honest. I think the question would be: is the organisation asking the right kinds of questions of itself to set it up to be adaptive in the way it needs to be in five or ten years? And I think we're starting to do that. The old, reliable networks that I would have used to recruit senior levels; they now no longer feel adequate. I need our networks to attract people who wouldn't previously have considered there were opportunities for them because if you can't get a visa to work in a European country then you can't apply for a senior leadership role in an organisation headquartered in a European country.'

6.3 THE ROLE OF BOARDS

In addition to the question of leadership diversity, the role of the board and the relationship between the leader and the board was something that frequently came up in discussion. While INGO staff and partners (and even members of the general public) may recognise the leaders of major INGOs, boards play a pivotal, but much less public, role in the strategic direction of INGOs and in turn, in the overall direction of the aid and development sector. Acknowledging the power dynamics inherent in the relationship, one respondent commented:

'If you're going to transform an organisation you have to have the buy-in of the people who are in charge, not the CEOs but actually the trustees.'

Similarly, another respondent noted the power that boards hold in decision-making:

'Ultimately, I answer directly to a board and, if they wanted, they could decide that our localisation agenda is not the way to go, and that they actually wanted us to go for the bigger, more operational contracts.'

Indeed, when it comes to issues such as localisation and shifting power to local actors, several other leaders mentioned the challenge of having such changes accepted by boards, who may not be across the critical discussions and debates within the sector:

'Not all of them are up to date with the challenge of localisation, global North, global South and what that means.'

Some trustees may have a more traditional view of the role of the not-for-profit sector:

'As long as money's coming in through the door, I can assure you that certainly some of my governors will say, "but where is that burning platform to change: I'm not sure I see it? Yes, there's some criticism and yes, we have to shift a little bit here, but really?"'

'I think there has to be a bigger shift in mindset and discussions about what actually drives impact, and making sure that the leaders of the organisation, the board, are really aligned and agreeing on what that is.'

'I am always flummoxed at the way that you seemingly ask some of these business leaders onto your boards to bring their business skills, and the first thing they do is leave their business skills at the door. And the number of times I've said, "well, you wouldn't run your own business like that, would you?" "But this is different, it's a charity." And so suddenly you can see there's a sort of mindset piece, and if there's one thing that I could do to wave a magic wand, it would be to change the general perception about charities and essentially them still being cottage industries or something.'

Part of the hesitancy over change may be linked to the extent to which boards are responsible for navigating the heavy compliance environments governing INGOs. Regulatory requirements for INGOs continue to grow. Leaders acknowledged the legal responsibilities that board members bear, but some also expressed frustration at the extent to which the risk and compliance priorities prevented more strategic thinking and action:

"THERE HAS TO BE A BIGGER SHIFT IN MINDSET ABOUT WHAT ACTUALLY DRIVES IMPACT."

'You might not break the law, but are you actually going to get any bigger, do anything differently? And the truth is "no." I think of the word "maintenance." Is that the kind of organisation you want to be? And I think the way that the charity sector is, we can't be in maintenance mode.'

'Trustees maybe even have a slightly greater attachment to "my role as the trustee is to make sure this organisation exists as opposed to what's best for the cause."'

'I was in a discussion with our trustees yesterday, who are seeking greater assurance that our overseas operations, the stuff that we're doing in the field, are done to a standard that's not going to create problems with the Charity Commission. And the problem is, as trustees, they're quite right – the problems would rest with them. So in one sense we've got an intellectual and philosophical desire to see power flowing that way to local actors. But we've got a culture that's requiring more and more accountability, and the way that people seem able to practice accountability is to practice power. So it's almost self-defeating.'

Leaders reflected on the idea that skillsets around compliance should not be the only ones considered relevant for board members, especially given their role in shaping the future of an organisation. One leader reflected on how a balance of skills and experience is important:

'We have a very strong board when it comes to risk and compliance, and we absolutely need to keep that skillset because that's one of the key things that the board is responsible for. So I think it's not a revolution, but it is an evolution to make sure that we have the understanding of the different parts of the organisation and our work, and for many organisations, my own included, we have been less strong on programmes and advocacy on the board.'

Other respondents highlighted the fact that their organisations had already made some significant shifts towards a more global leadership, accelerated by COVID-19's entrenchment of remote working and recognition that location was less of a barrier than previously perceived, and greater diversity of perspectives and skills:

'We have gone from a very UK, US-dominated board when I joined, to a very global board where we have a minimum of two UK members of the board. Because we're a UK charity, we have mandated that the treasurer be based in the UK and one other, but the rest are globally based.'

'We're a little unusual in the field, being a faith-based organisation. Half of our board are bishops, half are lay. Our board is diversifying both ethnically and geographically. We have our first international Board Director this past year.'

While many leaders highlighted the challenges of building consensus for significant change with their boards, some leaders identified their boards as playing a vital role in leading change. One CEO described the board chair as:

'Very grounded in what is the essence of who we are and what we are trying to do.'

Another referred to a board which is:

'Very much behind any changes and actually in a way has pushed for those changes.'

Another leader noted the role of their board in supporting change:

'They also went through their own process of looking at how they can diversify the board, bring in diverse voices, bring in voices from outside of the US/ UK, and that's been really powerful. They're fully behind our strategy review, they're fully behind the fact that this will likely lead us to make some changes and that's been a really important piece. I think we often forget the role of the board, but for us it's been hugely beneficial.'

Boards are powerful forces in determining the future of INGOs. But the role of boards, and the composition of their members, is not always visible or well understood. A lack of diversity (both in background, demographics and experience) remains an issue on boards, as in most areas of INGO leadership, though there are signs that this is shifting.

SUMMARY OF SECTION 6:

1. The power of INGO leaders can be constrained by large, multi-national federated structures, in which a high degree of consensus is required to make significant changes.

2. INGO leadership generally lacks diversity, but several organisations have changed, or are in the process of actively changing, this dynamic.

3. Boards are a key stakeholder for senior leaders in INGOs when setting strategic direction, and in the UK at least, they are bound by Charity Commission guidelines. However, the mindset and incentives of trustees are not widely understood, nor is the way that they make decisions on behalf of organisations.

'DISRUPTORS'

The COVID-19 pandemic has affected the entire world. In 2020, the murder of George Floyd and the subsequent Black Lives Matter movement have brought a renewed focus on racial equality across the globe. At the same time, governments are struggling to deal with climate change, which is already affecting millions of people, both in developing and developed countries, and is set to have a drastic impact in years to come.

Through our survey, we set out to find out INGO leaders' views on the severity and consequences of these 'disruptors.' Will they spark systemic change, or will we see little difference?

7.1 COVID-19

The overall perception among INGO leaders is that COVID-19 has accelerated changes that were already happening in their organisations and in the wider sector, but that it will not fundamentally transform the way that the sector operates. There are mixed views on just how much of an accelerant effect COVID-19 will have.

One of the most commonly cited effects of the pandemic was in changing the perceived 'fly-in, fly-out' culture: a commonly held belief that staff based in INGO headquarters (largely in the global North) need to travel to support operations and strengthen capacity where INGOs have country programmes. Global access restrictions are seen as having changed perceptions:

'What COVID has done has helped us to really acknowledge that there are lots of things that we don't have to travel for. That there are loads of other ways of supporting projects internationally.'

'We didn't deploy emergency teams to various locations through the last twelve months. We've essentially told our Country Teams that you need to find a way to manage this, and let's source local support and let's seek out local partnerships and that has been, to a large degree, quite successful.'

The curtailing of opportunities for INGO HQ staff to be present in person at Country Offices, or to visit local or national partners, has shown how reliant INGOs have had to become on technology. Many of the INGO leaders commented on how the use of technology has shifted the way that their organisations operate: not only changing the way that INGO staff connect with each other, but also the way that programming is designed and implemented.

'Everything from, obviously, our own digitalisation, our own ability to connect across borders, has shot through the roof in the last twelve months. The things that were stuck in "oh we'll never be able to do that digitally" or "we'll never do this," etcetera, have just been blown out of the water. That's wonderful, and that should allow us a much greater degree, say in a year from now, of transforming the way that we work, how we connect with partners, how we engage partners, how we engage communities.'

'All of us are fast-tracking our digital transformation work. I gave you the example of how we made cash transfers to mobile financial services, and that meant that now we have about seven million micro-finance clients. In the last few months, we have been converting them to have electronic wallets.'

There were very few comments relating to COVID-19's impact on the ability of Country Offices and partners to deliver programmes. However, respondents did mention how remote management and increased use of technology have had a positive impact on the localisation agenda, creating by default a more 'locally owned' model, in which 'Northern' actors were not able to influence country programmes as much as they usually would.

'I think what it has done on the positive side is that it has demonstrated to us the importance of being local and that, actually, we in the global North are not as important as we thought we were, and that we should learn to take more of a supporting role and let the country programmes take a leading role.'

Respondents see the COVID-19 pandemic as having both positive and negative consequences for aid and development. Positively, some INGO leaders view the universal nature of the pandemic as having the potential to create a renewed sense of international solidarity amongst the public in the global North:

'There is no point in me believing that I am safe from COVID here in the UK if it is still rampant in Africa. The transmissibility has demonstrated the connectedness very clearly.'

However, the negative view is also cited by leaders:

'I also think that there's an increased nationalism and less global solidarity. It's not new, but it was also really accelerated during COVID, where we saw, and still see, a lot of countries being inward-looking. And I fear that that will mean that negative trends will be accelerated, where we are seeing governments focusing more on their own populations, which might be needed, I'm not debating that, but at the expense of international collaboration.'

'In a way, COVID-19 definitely made one thing very clear: that the dependence on Northern resources is no longer something you can count on. The North is now busy with their own home, naturally; struggling to figure out their own problem.'

"THERE'S AN INCREASED NATIONALISM AND LESS GLOBAL SOLIDARITY. IT'S NOT NEW, BUT IT WAS ACCELERATED DURING COVID."

For some respondents though, the question raised by the pandemic is how effectively they can collaborate remotely, and whether it is possible to maintain effective relationships 'virtually.' The informal essence of INGOs, based on person-to-person connection, leads some INGO leaders to question the limitations of 'virtual' working:

'I think we have got a huge amount done remotely here in the UK, where we have got far more sense of common approaches and purpose, but you need to be in the room to really get the feel of what's happening, and have lots of conversations to build up a picture.'

Not all respondents felt that COVID-19 has had a significant effect in changing their organisations. Some mentioned that the lack of transformational shift is due to the human tendency to revert to what we know, anticipating a lack of change in a post-COVID-19 world:

'My instinctive reaction is "well no, actually I don't think it's COVID-19 that's changing fundamentally the way the sector is going to operate." In some ways you could say the international response to COVID-19 – or lack thereof, frankly – is evidence of a diminished position for international development more generally in some places.'

'I think the temptation is to look at every incident as if it heralds a huge sweeping change in global history, and the reality is most of them don't. In the next twelve to eighteen months or so, things will revert pretty quickly back to the standard form of operating, because that's how people operate.'

If some INGOs are predicting a bounce back in the way that they operate post-COVID, how can leaders ensure that change in their organisations is lasting? One respondent was keen to comment on the importance of maintaining a focus on critical areas of transformation:

'I would like to say that I think COVID will have caused a significant shift to a new way of doing things, but I think it'll be back to the way it always was quite quickly, unless people and organisations take seriously the localisation agenda. I think fundamentally that is the one thing that people are not talking about, and they absolutely need to be.'

Interestingly, there was acknowledgement from INGO leaders that not all of the outcomes of the pandemic had shown themselves yet, and it is possibly too early to judge the consequences:

'People have not had the time yet to realise, or maybe the changes that have happened are not immediately visible.'

'I also think we need to have a very open mind and be quite flexible in some of the changes we need to do, and make sure that we continue to learn so that we are not too easily thinking, "oh, it's just a digital transformation or it's different fundraising or..." because there might be things that we are not aware of.'

7.2 MOVEMENTS AROUND RACIAL EQUALITY

With the murder of George Floyd and the subsequent Black Lives Matter (BLM) protests in the summer of 2020, INGO leaders have been forced to confront questions around racial equality and decolonisation (i.e., a real shift in power away from the global North) within the aid and development sector. This is not the first time that the sector has been challenged suddenly in this way (as seen most recently in the safeguarding scandal of 2018), but how far has George Floyd's murder and its aftermath affected INGOs and the wider sector?

Some leaders said that these events have significantly changed things; others felt that they were accelerating conversations and changes that were already happening, while others felt that they had very little relevance.

Most leaders acknowledged that they have worked within their own organisations to understand and respond to questions around institutional racism. Some INGO leaders pointed out how deeply these issues are felt by staff within their organisations and how much listening, reflection and ownership needs to be done:

'We have been shocked by how strongly the pain was felt, even amongst our own staff, and obviously as people from black and minority ethnic communities. They were talking about experiencing it within our organisation in terms of microaggressions. We've had to hear that, and no one likes to think that you're not on the side of the angels. We've had some serious lesson-learning to do.'

Where action has been taken, it has been focused on conversations to increase awareness and understanding, and on implementing changes to internal practices aimed at fostering diversity, inclusion and anti-racism. Some leaders of organisations referred to changes in pay structure, while others are commissioning external reviews:

'Then we do our inclusion and diversity strategy, but actually taking it on another level to an anti-racism strategy, where those approaches are built into everything, and really making sure that our equality impact assessments are being done.'

'Getting external help to discuss issues of power and privilege at a personal level and [get] a better understanding of the pain others go through.'

In the public domain, many INGOs were quick to put out statements in support of the BLM movement, or to comment on their anti-racism stance. One leader of a faith-based INGO mentioned the challenges they had with putting out such a statement, as the organisation's leaders felt that BLM was too politically affiliated:

'We don't want to get into political issues and closely working with our partners in the USA, where they found the BLM to be quite politically sensitive.'

Even if there were different responses publicly and privately, George Floyd's murder, in a similar vein to COVID-19, has been seen by many INGO leaders as a moment that sparked acceleration in changes that were already occurring around diversity, inclusion and injustice. However, it was argued by some that concentrating solely on Black Lives Matter, and the outcomes that the movement is trying to achieve, is too narrow. Many respondents said that staff outside of the US and UK were keen to point out other traumatic events around injustice and exclusion:

'Staffs in North America and even here in the UK want to know what you think, but in our organisation, the vast majority of people who work for us are based in Kabul or Nairobi etc, so for them it's not that what happened to George Floyd is not terrible, but it's just not a reference point. They're much more concerned about the kind of violence in India for example. So let's not link it just to Black Lives Matter, let's call it a concern with injustice and exclusion.'

'We have far more staff who are from the global South than are from the US or the UK or anywhere else, and whose voices do you listen to? It's still those in the North who dominate. Actually, if I talk to colleagues in other parts of the world, this is probably not at the top of the list. They have many other points in terms of equality, equity and inclusion and as we change to ensure they are properly represented in leadership positions, we absolutely must make space to hear their perspectives, and then act on them.'

There is a similar narrative around decolonisation; there was a divergence as to where the focus should be. From the interviews that were conducted, the analysis shows a difference in mindset around how decolonisation intersects with humanitarian action across the INGO spectrum: this divergence was largely based on the origin and nature of the organisation concerned. Some of the leaders of European-based organisations[17] (but not all), as well as the non-European/ US-based organisations that we interviewed, which largely had mandates around humanitarian aid, saw the current focus on decolonisation as 'navel-gazing,' or as being less important in the countries in which they are based.

'For a Scandinavian organisation, which imposes and employs very few of our own nationals, and has a past without any colonies, what is so neo-colonial in us going to help people in the Sahel, really? I think it's a deep belief in human dignity. I think it's a sign of international solidarity, and I am not going to spend ten minutes of my life reflecting on whether I have a right to help people in the Sahel. It's my obligation to do it. But I understand that this is a big thing for colleagues in some of the nations that have a colonial or imperialist past.'

'It does not affect our country because in our country the racial issues, especially the colour, the colour issues are not a great interest of the people. If you are black or white you are very relaxed in our country; you can walk, there is no problem, and it has never affected our country.'
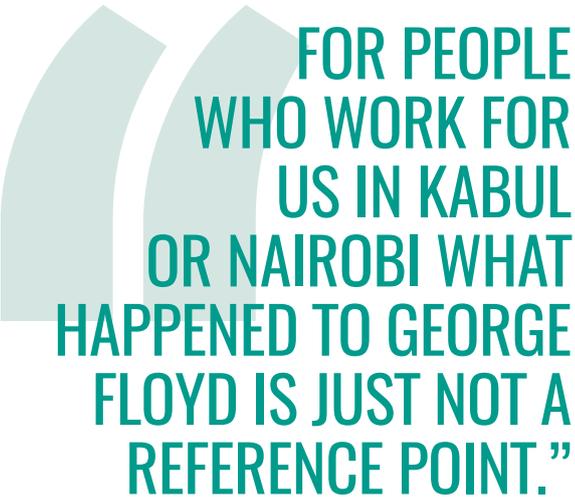
FOR PEOPLE WHO WORK FOR US IN KABUL OR NAIROBI WHAT HAPPENED TO GEORGE FLOYD IS JUST NOT A REFERENCE POINT."

17. For clarity, we are not including UK-based organisations in this subset.

"WE COULD USE WORDS LIKE DECOLONISATION… [BUT] WE'VE CONSTANTLY GOT TO ASK – WHOSE AGENDA ARE WE ACTUALLY SERVING?"

British dual-mandate INGOs (i.e. those that are involved both in humanitarian aid and development) seem to reflect more on what this means for their staff, their role in dealing with the legacy of colonialism and how to move forward:

'The entire weight of the West's crisis of conscience over history, colonialism and slavery cannot be borne by the humanitarian sector. We simply do not have the bandwidth or the ability to deal with it. Let's be clear about where we as NGOs, and this is particularly about INGOs, reside in this system.'

This raises an interesting question around the balance between the practicalities of the current aid and development ecosystem and the morality of working in the sector:

'I think this is where the decolonisation, racism discussions are very helpful, because suddenly it becomes a moral issue and not just a pragmatic one.'

INGOs are certainly reflecting and challenging themselves on decolonisation. Some INGO leaders said, though, that they will still have to navigate political agendas and ask whose interests they are furthering:

'We could use words like decolonisation, and I get that at some levels. On the other hand, I would say that whenever we're taking money from governments, or even other large institutions whether they be large philanthropists or large corporates, we've constantly got to ask – whose agenda are we actually serving?'

Most INGO leaders were clear that this is a critical subject for their organisations, especially those with staff based in the UK and US. Whilst there has certainly been a call to action among staff of most INGOs, some leaders reflected on the need to take time to weigh up the issues carefully:

'We need to have really well-informed, thoughtful conversations; it's not something that we can have quick fixes to. We need a balance between pace and thoughtfulness. It would be very easy to let the moment pass and kick it into the long grass, but the time has passed for that.'

7.3   CLIMATE CHANGE

Looking ahead, INGO leaders raised the continuing effects of the rise in global greenhouse gas emissions on the environment. Many saw climate change, beyond the obvious immediate implications for humanitarian action, having indirect consequences for the aid and development ecosystem:

'I think the impact of it, it can dramatically change a lot of the things we have achieved till now. We may be pushed back quite a significant bit. Climate change-induced migration, as we're seeing in Bangladesh quite a bit, urbanisation and urban migration, unplanned urbanisation.'

'Shaping a lot of what everyone's talking about is climate change. I know it's bigger than NGOs. But it will have an impact I think on what NGOs need to do and how money flows around the globe.'

'As development organisations we haven't talked very much with our colleagues at Nature Conservancy and the WWF and those organisations. They're thought-of as conservation organisations, so there hasn't been nearly enough dialogue or cross-fertilisation with those organisations as to what we can do. It seems to me there would be enormous scope because some of the biggest challenges to the implementation of environmental agreements are around people and perverse incentives. Some of those are perverse incentives that development organisations can help solve, some of them aren't.'

The chronic, complex and global nature of climate change is seen by some INGO leaders as a challenge, particularly as it differs from the kinds of crisis that some INGOs are used to dealing with:

'The normal response from the humanitarian sector is "we have the solution to the problem we're trying to address." Normally it's a single resource deficiency. Somebody hasn't got food: we can give them food. Somebody hasn't got cash: we can give them cash. Somebody hasn't got shelter: we can give them shelter. You are the one-stop shop. And that perception continues to build your sense of responsibility and that you're a great place for that £5 to go to. But with the climate problem, which we know is complex and multi-faceted, a little bit like the COVID problem or the refugee issue, the humanitarian sector isn't able to say to its support base "that's the problem. We've got a solution," because we haven't. It's so multi-faceted.'

Some leaders felt that there needs to be more focus on use of technology and predictive analytics, so that INGOs are more 'on the front foot' in dealing with crises:
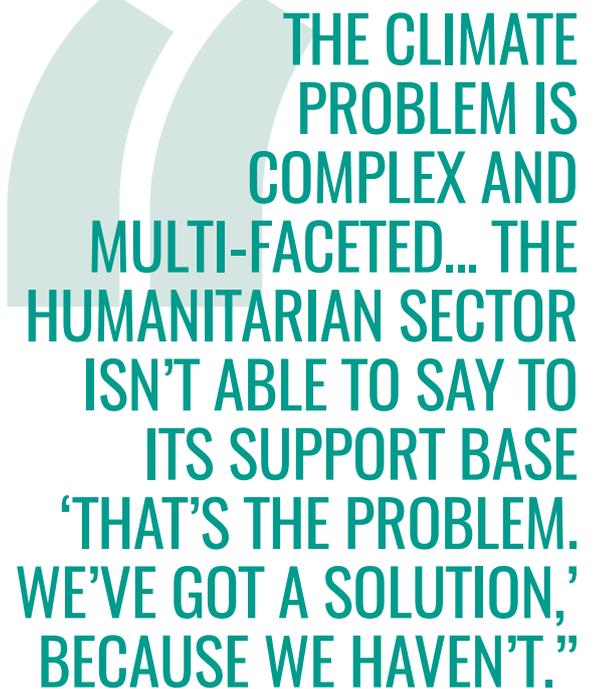
"THE CLIMATE PROBLEM IS COMPLEX AND MULTI-FACETED... THE HUMANITARIAN SECTOR ISN'T ABLE TO SAY TO ITS SUPPORT BASE 'THAT'S THE PROBLEM. WE'VE GOT A SOLUTION,' BECAUSE WE HAVEN'T."

'Technology is going to take us in some interesting directions: it already is. We're in a place where we're starting to dabble with predictive analytics, we're starting to dabble with understanding what being anticipatory really means.'

As some INGO leaders pointed out, it is important to consider the wider systemic issues affecting the global environment:

'I would not say climate change is the only issue, I would add climate change plus planetary pressure, the pressure we are causing beyond that. I worked in Ethiopia: a few hundred years ago, 40% of the Ethiopian land was forest, and today it's only 4%. I want to make sure that is understood, beyond climate change.'

As the planet continues to warm, INGO leaders acknowledge that the effects on their work will be dramatic. The question is: how prepared are INGOs, and are plans being made for the long-term challenges that climate change represents? Few leaders seemed to have tangible plans or clear explanations of how INGOs might need to prepare for the dramatic changes that are likely to occur in the aid and development landscape.

7.4 DIGITALISATION / DISINTERMEDIATION

Another key disruptor that was frequently referenced was the role of digitalisation, and how this could potentially impact on disintermediation.[18] The digital revolution is not a new disruptor, having regularly prompted changes to INGO operations over a number of decades. However, INGO leaders were quick to recognise that digital changes could significantly challenge the role of INGOs as intermediaries:

'There is the question of the role of NGOs, probably over [the next] ten years. [With] the blockchain system, if one day we give the possibility to the British donor to give directly to a family somewhere which has been, let's say, screened by a local NGO, by an organisation that they trust, the people will give directly.'

However, one INGO leader questioned whether disintermediation is likely:

'People giving directly – I don't know, this was more of a concern some years ago and I don't see that has actually taken off so much.'

Despite these differences in viewpoint, disintermediation has the ability to cause a dramatic shift in the current business model of the sector:

'There will be tech disruptors who are challenging the NGO model.'

Some INGOs are taking the initiative and embracing disintermediation as a progressive model that would benefit the sector, and ultimately the people that INGOs are trying to support. Looking beyond immediate organisational needs is something that many INGO leaders are grappling with, especially when it could affect their own survival. However, as one INGO leader pointed out, disintermediation is an approach that could have positive impacts in environments in which INGOs work:

'For example, we're working on what we call "people-to-people," a direct link between people giving and people receiving, especially if you talk about cash programming. It's a very good example of an innovation that we need to keep pushing for, because it gives more dignity to the people who we serve, it gives them more empowerment. It's also sustainable, it builds the local economy, and it takes out all the extra layers. Models like that should be forthcoming.'

The question for many INGOs is how they are to remain involved in the delivery of aid and development, in which they have significant expertise, footprint and knowledge, despite the pressures of disintermediation. The concern among some INGO leaders was that a lack of knowledge around technology could limit their participation in some digital spaces:

'I'm aghast at how technologically incompetent we are. But the idea that you can replace every resource transfer agent with a drone or something robotic: we know that's just not the case.'

'The NGO sector is not the only sector that's been disrupted by significant technological changes, but I think for a range of reasons NGOs, and particularly international NGOs, are particularly poorly suited to be able to respond to the disruption from new technologies. I think there's governance reasons, I think there's capability reasons, there's systemic under-investment in back offices and an aversion to doing so.'

"I'M AGHAST AT HOW TECHNOLOGICALLY INCOMPETENT WE ARE."

18. Disintermediation, in the context of the aid and development sector, is the reduction or complete removal of intermediaries (usually between donors or other sources of funding and the community or individuals receiving support).

A significant example of an area where INGOs need to ensure that they have digital knowledge is in relation to data. The concern among leaders is to make sure that their organisations protect the data of aid recipients, while acknowledging that they cannot be part of any agenda that excludes communities from digital access:

'There are worries about that, and especially for our women's programmes, for reporting, about how much data to give up and all of that. And so of course I'm not at all insouciant or cavalier about the downside. But done right, why should these people be excluded from the future?'

For INGOs, the need to embrace technology is coupled with the need to ensure that those who interact with the technology fully understand its effects. For some, the transition to digital cannot be a fast one when it affects people's livelihoods. As one INGO leader points out, knowledge transfer around digital technology is critical:

'If you want to help people change or help, you want to help people who are frightened or you want to help people learn, some of it can be done through a screen, but sometimes you've got to hold their hand.'
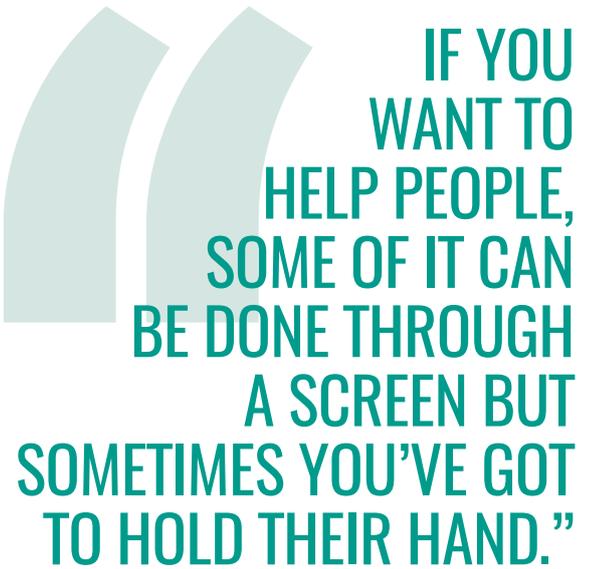
"IF YOU WANT TO HELP PEOPLE, SOME OF IT CAN BE DONE THROUGH A SCREEN BUT SOMETIMES YOU'VE GOT TO HOLD THEIR HAND."

SUMMARY OF SECTION 7:

1. The impact of COVID-19 on INGOs is varied; some leaders believe it will significantly affect their operations, whereas others believe that business-as-usual will resume in due course.

2. The aftermath of George Floyd's death and the Black Lives Matter movement has disproportionately affected UK- and US-based organisations. Most leaders saw it as critical for their organisations to deepen their understanding of the issues involved, with some moving towards action. The longevity of the overall response is unclear.

3. Climate change is seen as a significant disruptor through to 2030, and there is an acknowledgement that INGOs need to be involved in climate action and debate. Some CEOs felt that their organisations were not best positioned to be at the forefront in tackling the climate crisis, and that working more closely with climate-focused organisations would be a good practical step.

4. Digitalisation, and how it can bring about disintermediation, was discussed by several respondents. Some felt that their organisations were falling behind in this, and may struggle to deal with any major transformation caused by disintermediation.

CONCLUSION

This, then, is what we heard. Fifty leaders of the world's leading international NGOs speaking freely and frankly about their current challenges and hopes for the future. It has been a rare privilege to have such access to fifty leaders of INGOs, and to have heard what they have to say about their own organisations and about the wider sector.

Was there agreement? There were certainly common factors in the leaders' visions for 2030, which offer a starting point for collective transformation in the sector. The majority of respondents envisage a system in which:

- INGOs are less dominant, and operate through a more diverse range of actors
- the power dynamics have shifted, to make the sector more 'localised'
- relationships are more networked than hierarchical
- INGOs are more proactive in meeting the needs of communities
- INGOs are more connected with their stated purposes.

This shared vision will not in itself lead to change, however. Communicating a common vision for the sector is one thing; collectively taking the practical steps to make the vision a reality another. INGO leaders differed as to how far their own organisations are likely to change. Over the course of our conversations it became clear that, behind organisational statements and sector-wide undertakings such as the Grand Bargain, there are diverse views on how the future of INGOs could or should play out. By leaders' own estimates, there is a long way to go before something close to the common vision will be realised.

THE ROLE OF LEADERS WITHIN THE AID AND DEVELOPMENT ECOSYSTEM

There was a general consensus that the ability of leaders of INGOs to enact change is often dramatically overestimated. Whether it be navigating the dynamics within large, global 'families,' or working with boards of trustees who have differing views, leaders feel that their ability to make decisive change is often constrained, and timeframes for change can be long.

The case for change within INGOs does not seem fully accepted across all geographies or organisational levels, and the influence of donors is felt to be strong – even an overriding factor. In many cases, the current pressures and practicalities of a heavily bureaucratised sector are also seen by INGO leaders as impeding their ability to realise their vision.

Until there are radical shifts in the status quo – around risk management, accountability, funding practices and competition between INGOs – many leaders feel that achieving desired change in the sector will remain very challenging.

INGOs' HISTORIES, STRUCTURES AND MANDATES MATTER

While INGOs are often referred-to as a single group, there is great diversity in their histories, structures and mandates, which shapes their worldviews. Dual-mandate, multi-sectoral organisations with their origins in the UK and US are reflecting on their situation in a different way from other European, single-mandate organisations. Faith-based organisations have yet another perspective. To expect such diverse organisations to evolve along exactly the same pathway is perhaps unrealistic, and discussions around the future of INGOs need to take account of their differences.

LEADERS ARE GRAPPLING WITH QUESTIONS OF LEGACY

At a personal level, INGO leaders are grappling with calls for change alongside a very human hesitation to buck the trend of traditional growth KPIs, and face the consequences of more drastic cuts to operating budgets and jobs. There may also be little appetite for radical change at the board level. The dominant culture of boards and senior executive teams, led by Chairs and CEOs, has been based for so long on expansion that to some leaders it would seem to be 'career-ending' to suggest a reversal of financial growth.

MONEY MATTERS

The need for money, and restrictions on how it is used, affect INGOs' ability to change. Many commented on how donors, of which there are many different types, keep a large degree of control over how money is spent. Political agendas play a dominant role in deciding where money is distributed, especially by 'global North' governments.

As for diversifying funding, we heard that INGOs face the dilemma of making significant up-front investments if they are to build opportunities with philanthropists, private sector donors and different regional powers, as opposed to cheaper-to-acquire but diminishing funding from traditional donor governments. The increasingly stringent nature of state regulation around risk and compliance was described as acting as a major disincentive for the international system, in localising humanitarian aid and development work.

EXTERNAL 'DISRUPTORS' ARE SIGNIFICANT

It is easy to see INGOs within the microcosm of aid and development architecture, but there are much larger systems that deeply influence them. Our research shows that INGO leaders are generally aware of external issues that could disrupt the effectiveness of their organisations: the challenge is in deciding what actions they can take, given that many of these disruptors are multi-faceted, and solutions cannot be found through siloed working or thinking.

On climate change in particular, CEOs are grappling with the question of how to make their own organisations more sustainable. But the broader issues involved in climate change are distinct from this: there is the complex question of what climate change will mean for INGOs operationally (how it will change the nature of emergencies, for example), how it might affect INGOs' traditional roles, and what action they should take in terms of advocacy and programming. This includes the question of whether INGOs are best placed to act on the consequences of climate change, or whether they need to work more with other, more environmentally focused organisations. Ultimately these are questions both of agency and ambition: what INGOs have control over, and how ambitious they are in addressing climate change, when this has not historically been their core business.

FINAL REMARKS

The consuming nature of the day-to-day means that INGO leaders struggle to find time and space to think through how current and future challenges will affect their organisation's role. Yet as our section on 'disruptors' shows, the next ten years are a time of radical uncertainty.

Whilst many of the leaders we spoke to are optimistic that their organisations can remain a relevant and useful part of the aid and development ecosystem, the challenges they face can seem unrelenting.

Through our conversations with INGO leaders, two overarching questions emerged: first, if necessary change in the sector is not happening, why is it not happening? And second, if incremental change is happening, is the pace of this change quick enough?

What emerged from these interviews was the sense that the 'stuckness' experienced by many INGO leaders has several different aspects, both internal and external. Yes, many CEOs feel that they are boxed in by their reliance on state donors, by the demands of compliance, by complicated governance structures. But even if they did not feel this, do INGO leaders have a good enough understanding of the profound effects of the 'disruptors' that are changing the world in which they operate (including climate change, technological change, COVID-19 and movements around racial equality), and the implications of this for their organisations, to be able to act effectively? Do they have a clear idea of where they want the INGOs that they lead to get to, and do they have a realistic plan for getting there?

A number of further questions arise from our conversations. Are INGOs too big to change? Is resistance to change built into them? Will we see a continuation of the 'status quo' in the aid and development ecosystem, which may be unsatisfactory, but which is hard to move on from? Can INGOs 'fix' (or dismantle and rebuild) themselves, or are they destined to carry on as they are? Will other actors simply come up with better and fairer approaches that make INGOs increasingly redundant?

The wider International NGOs and the Long Humanitarian Century research project has been working to suggest answers to these questions.

We are grateful to the leaders of INGOs who shared their thoughts with us and who gave us, through their reflections, self-criticism and willingness to be open and frank with us, this unique 'peek' behind the curtain.

Organisations that contributed to the INGO Leadership Survey include:

ActionAid UK | Action Against Hunger | Aga Khan Foundation | Age International | Bond | BRAC Bangladesh | British Red Cross | Care International UK | Catholic Agency for Overseas Development (CAFOD) | Catholic Relief Services | Concern Worldwide UK | Disasters Emergency Committee | GOAL Global | HelpAge International | Human Appeal | Humanity and Inclusion UK | IHH Humanitarian Relief Foundation | INTRAC | International Rescue Committee UK | MAG International | Medair | Mercy Corps | Muslim Aid | Norwegian Refugee Council | Oxfam GB | Plan International UK | Save the Children Australia | Save the Children International | ShelterBox | Start Network | Tearfund | Trócaire | WarChild UK | World Jewish Relief | World Vision UK

INGOs
& the Long
Humanitarian
Century