Tomorrow’s World
How might megatrends in development affect the future roles of UK-based INGOs?
About Bond

Bond is the unifying force for the strength, influence and effectiveness of UK international development organisations. We’re a membership body, bringing together more than 450 organisations across the country in the fight against global poverty.

We work to influence governments and policy-makers, develop the skills of people in the sector, build organisational capacity and effectiveness, and provide opportunities to exchange information, knowledge and expertise.

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Bond Development Futures

Bond Development Futures is a new initiative all about making it easier to navigate the complexity and uncertainty of the future.

Bond Development Futures applies futures tools and approaches, like scenario building, horizon scanning and trends analysis, to bring the distant horizon closer to the present.

We work across the development community and particularly with NGOs, to imagine and plan for the future, so that together and individually we can adapt, innovate and make better strategic decisions.

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1. Introduction and scope

This discussion paper provides an overview of the main factors that are likely to inform how our world changes over the next decade to 2025. In it we identify seven ‘megatrends’ and consider their implications for civil society and the operating context within which international development NGOs work. Finally we identify some key roles that UK-based INGOs can play, which are distinctive, needed and relevant in contributing to addressing development goals. This paper provides a starting point for a broad discussion among the Bond membership about the future roles of UK-based INGOs and the way in which their work is supported by the UK government.

Bond’s 450 members together represent a large part of the UK’s non-governmental, not-for-profit international development community. As expressed in the Bond Charter, which all Bond members affirm, we share a belief that the strength and power of civil society is derived from multiple approaches. Our organisational models, our histories and our ways of working are diverse. Any understanding of the changing and distinctive roles of UK-based international development NGOs needs itself to respect and value this diversity.

As we build a shared understanding of our distinctive roles, we need to start with an understanding of what possible development futures could mean for marginalised people, for those who suffer from inequality, from poverty of resources or opportunity, or whose voices are not heard. And we need to recognise that these people themselves have many different views, and that our choices as UK-based international development NGOs need to be connected to their choices.

There is no universally agreed definition of ‘development’, and certainly no agreement on its futures. And the ideas of development can be expressed, for example, in ways that are human security-centred, or rights-based, or that focus on economic development alone.

A 2012 horizon scanning study for DFID on possible future research priorities expresses an essential dilemma:

“As development improves basic conditions in many countries…these countries will direct their attention to issues that are familiar to developed countries: obesity, welfare rights, traffic accidents, wellbeing. Are these valid development issues? Will development as we know it even be a relevant concept in 10-15 years?”

A globally resonant United Nations idea of ‘international development’ is reflected in the eight Millennium Development Goals (MDGs) and their associated targets. This year, 2015, a heavily-negotiated UN-grounded repurposing of that shared UN-wide idea of development will be reflected in a new set of Sustainable Development Goals (SDGs).

As a network, Bond members share a concern to test the idea of development in terms of its shifting ability over time to address the capacities, institutions, resources and tools that are needed to deliver these outcomes. The globally-relevant megatrends that are highlighted in this paper are connected with such significant drivers of change that they should usefully form part of international development NGOs’ strategic planning processes and shared organisational awareness.

This is the broad sense in which ‘the future of international development’ is approached in this discussion paper. This is an early contribution to a process of dialogue and consultation across Bond members and their partners on the distinctive and changing roles of international development NGOs in the UK.
2. Megatrends and drivers of change

It is clear that significant development progress has been made. Civil society groups around the world have played an important role in securing progress towards the MDGs. Poverty has declined significantly over the thirty years to 2013. Economic growth, along with the facilitated support of much better targeted development assistance efforts by the international community, has allowed great progress to be made in improving human welfare even in the poorest countries.

But it is important for us as civil society actors to recall too, that the MDGs’ target on child mortality has not been met. Global greenhouse emissions are rising dangerously and no post-Kyoto climate agreement has yet been concluded. Forest losses continue. Armed conflict has taken on new forms and treaties have failed to extinguish its horrors. Gender equality remains no more than an aspiration in many parts of the world.

Against this backdrop, the shape of some of the major driving forces of change on the international development landscape is abundantly clear. While there are many different ways of capturing and listing these in all their diversity, there will be no surprises in this paper’s focus on seven that have been identified elsewhere, in various combinations, as ‘megatrends’:

1. Climate change and planetary boundaries
2. Demographic shifts
3. Urbanisation
4. Natural resource scarcity
5. Geopolitical shifts
6. Processes of technological transformation and innovation
7. Inequality

The impacts of these forces of change are already part of the lived experience of many Bond members’ partners and the communities they work with. Even taken alone, the megatrends have the potential to significantly alter the global and regional distribution of conflict, poverty, inequality and need. There will continue to be winners – but there will also be significant losers, changing distributions of hardship and need in new ways.

We should not be seduced into focusing our skills and resources on the megatrends of change alone. But we can share common cause in recognising that the major drivers of change will each affect our shared future as Bond members.

It is impossible, of course, to predict with accuracy how these forces of change and current trends will interact over the coming ten or fifteen years. Much will depend on political choices and developmental trajectories that inevitably differ from country to country. In turn these responses will affect and be affected by the distinct arcs of regional or locally relevant trends, the emergence of new conflicts, natural disasters, or ‘wildcard’, high impact, low probability events.

This is not the place to propose scenarios for the possible futures of international development and development cooperation; a process best pursued as a collaborative, collective exercise. Those scenarios that exist, such as HIVA’s 2012 ‘Development cooperation in 2020’, and the World Economic Forum’s 2013 ‘The Future Role of Civil Society’, bring together data and insight on a wide range of long-term trends and arrive at a number of possible futures, risks and opportunities that offer a powerful aid to strategic planning. Both of these reports indicate that whatever the future may hold we are likely to see a fundamental reconfiguration of the respective roles and responsibilities of government, civil society and the private sector.

These megatrends offer us a glimpse at several possible futures for international development. In practice these developmental trajectories will depend upon political choices and local responses. Reflecting upon these shifts and what they mean for UK-based INGOs is an essential component of long-term strategic planning, adaptation and re-invention.
2.1 Climate change and planetary boundaries

Climate change
There is now substantial evidence for the existence of human-caused climate change. It is also clear that the future of international development cannot be considered in isolation from the imperative to adapt, across fields from spatial and infrastructure planning and urbanisation to food security, public health and disaster relief.

This is an agenda that produces stark numbers. The number of deaths caused by climate change has been projected to rise from 400,000 in 2012 to close to 700,000 annually by 2030, with over 98% of these deaths occurring in developing countries. The cost for developing countries to adapt to climate change between 2010 and 2050 has been estimated at US$70 billion to US$100 billion a year at 2005 prices. This amounts to just 0.2% of the projected GDP of all developing countries from 2010-2020; yet the upper end amounts to almost 75% of total disbursement of Official Development Assistance in 2013.

But we must also acknowledge that there are limitations to our knowledge. Long-term planning is hampered by the fact that there is still considerable scientific uncertainty in some key areas such as cloud and carbon feedbacks and sea level rise below the highly aggregated level of continental-scale projections; the global distribution of research means that projections of future regional climate change under different scenarios are far from detailed. This has implications for how we target resources and expertise in the medium to long term.

The distribution of climate impacts across health, agricultural production, natural disasters and the economy will certainly be uneven, but risks are “generally greater for disadvantaged people and communities in countries at all levels of development.”

Planetary boundaries
The earth’s natural systems are under enormous pressure, with huge knock-on effects for the world’s most vulnerable people. UNEP’s 2012 GEO 5 assessment concludes that, “scientific evidence shows that Earth systems are being pushed towards their biophysical limits, with evidence that these limits are close and have in some cases been exceeded.”

In 2009, in an article in the journal *Nature*, a group of scientists led by Johan Rockström from the Stockholm Resilience Centre and Will Steffen from the Australian National University proposed that identifying and quantifying ‘planetary boundaries’ that must not be transgressed could help to prevent human activities from causing unacceptable environmental change. They described ‘planetary boundaries’ across nine earth system processes; argued that the ‘safe operating space for humanity’ and therefore the precondition for sustainable development lay within those boundaries; and suggested that for three earth systems – climate change, biodiversity and nitrogen – thresholds had already been breached.

The concept that nine sets of ‘planetary boundaries’ exist in the way described in the article is not uncontroversial. But whether one debates ‘planetary boundaries’ or ‘environmental limits’, it is clear that collectively we risk crossing thresholds across a range of earth systems beyond which potentially irreversible and abrupt disruptions could take place. Whether we cross these red lines or not will have a significant impact upon the possible futures for international development. Grave risks to the natural environment concern us all and threaten the resilience of the most marginalised people in society.

Likely impact on INGOs
As a community of UK-based international development NGOs, we will increasingly need to find ways to integrate environmental considerations across the full range of our activities. The time has long gone when we can leave environmental issues to those we see as ‘environmentalists’. However, we craft a shared understanding of our distinctive roles as UK-based INGOs, we must collectively secure our ability to support adaptation and climate-induced natural disaster relief, including through rapid deployment of resources, and to add weight to climate mitigation efforts at all levels.
2.2 Demographic shifts

Demographic shifts will have a significant impact upon the global distribution of need and resources. Population growth projections offer easy refuge for the pessimist. According to the median fertility projection of the 2012 Revision of World Population Prospects, the global population could reach 9.6 billion by 2050 and 10.9 billion by 2100. This will place further pressure on finite resources and contribute to environmental change. This also has strong implications for social justice: how do we encourage rising living standards in an environmentally sustainable way?

We are also seeing demographic change in countries across the globe. In 2000, for the first time, there were more people over the age of 60 in the world than children under five. And far from affecting only higher-income countries, population ageing is happening fastest in developing countries. 62% of older people already live in developing countries. By 2050, this is projected to be four-fifths. 80% of older people in developing countries have no regular income, and only one in four older people in low and middle-income countries receive a pension.

For this reason young people (under 30) will play an increasingly important role as agents of developmental outcomes. However, the strength of this countervailing pressure to the challenges of an ageing society will largely depend upon access to education and employment. Youth unemployment and lack of engagement in formal politics have already become major concerns in many parts of the world. In 2012, 15-24 year olds made up 40% of the total unemployed population.

In the troubled Middle East and in North Africa, youth unemployment rates in 2012 stood at 28.3% and 23.7% respectively. 90% of the global youth population lives in developing countries. And by 2050, 37% of the world’s under-eighteens are projected to live in Africa, with Nigeria accounting for almost one in ten births globally.

Likely impact on INGOs

The full implications of demographic shifts have not yet entered the collective consciousness of the international development community. As civil society organisations, we will need to make choices about our engagement with younger people and older people, and those choices will decide whether our structures merely respond to, or mirror and reflect, the shifting demographics.

2.3 Urbanisation

The future, it has often been said, is urban. Already more people around the world live in urban than in rural areas. But the urban transition is taking place at different rates in different parts of the world. North America, Latin America and the Caribbean, Europe and Oceania are already highly urbanised, with the proportion of urban dwellers ranging from 70% in Oceania to 82% in North America. By 2050 each of these regions (aside from Oceania) is expected to be at least 84% urban.

In contrast, Africa and Asia are still predominantly rural continents, with just 40% and 42% of their respective populations living in urban areas in 2010. Even by 2050, Africa’s urban dwellers are projected to make up just 62% of its total population, and Asia’s 65%. Even in Africa and Asia, though, rapid rural-to-urban shifts are taking place. In the least urbanised countries of Africa and Asia more than 80% of the population lives in rural areas. But these countries too are expected to be at least 30% urban by 2050.

Cities are already the world’s engines of growth. McKinsey Global Institute says that 80% of global GDP was generated in cities in 2010 – 50% in the 380 major cities of the developed world, and a further 10% in the largest 220 cities of the developing world. By 2025, these top 600 cities will still be generating 60% of the growth in GDP but their membership will have shifted east, with an estimated 100 new cities entering the rankings from China alone. By 2025, medium-sized cities in emerging markets could generate nearly 37% of growth.

Likely impact on INGOs

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

2.4 Resource scarcity

Resource scarcity has the potential to both catalyse and resist other megatrends, as demographic pressures are likely to increase demand for finite resources. Environmental disruptions may create food and water insecurity, while geopolitical shifts may mean supplies of non-renewable natural resources, including fossil fuels and minerals, become more restricted. In turn, scarcity could push prices up further, reverberating around the world to create hardship for those already most in need. Land, for many centuries a spotlight for social unrest and campaigning, is already a scarce and contested resource.

There is uncertainty about possible trajectories. But recent history should serve as a warning for potential troubles ahead. Notwithstanding the currently-low oil price, over the period 2000 to 2013 metal prices rose by 176%, energy prices by an average of 260%, and food prices by 120%.19

A continued rise in protectionist or resource nationalist policies could be one outcome of scarcity (as well as a side effect of authoritarianism linked to poor economic performance).

But while the assumption of scarcity is a commonplace meme, it also has its counterweights in the world of technology innovation. Already, an asteroid mining company has been launched to develop commercial asteroid prospecting.20 Nuclear fusion could transform energy consumption for those with access to its benefits within our lifetimes.21

Likely impact on INGOs

International development NGOs will need to find ways to remain effective in the face of turbulence generated by resource scarcity and high commodity prices. Scarcity will also change advocacy: one response that potentially chimes well with a universal approach to development is to focus on ‘fair shares’.22 Given the transnational impacts of scarcity, there may be increasing demands for international advocacy on so-called ‘resource nationalism’ as well as on the business models, legal agreements and wider governance approaches associated with natural resource sectors. But scarcity combined with pressing demand could further restrict the advocacy space for civil society groups campaigning on the negative social and environmental impacts of resource extraction and land grabs.

2.5 Geopolitical shifts

The axis of the world’s economic and geopolitical power has shifted, and will continue to shift, from West and North to East and South. China and India have regained their historic position at the centre of global geopolitics, and as the world’s most populous nations, occupy a special place in the new landscape. Many other nations, from Brazil and Indonesia to Nigeria, are also now referred to as ‘emerging’, in a series of shifts with profound implications for the global distribution of hard power and uncertain implications for ‘soft’ power.

There are very significant uncertainties over what will replace the current unipolar world order that characterised the end of the 20th century as the power of the US declines. Certainly, the G7 and G8-focused decision making of the past, upon which many Northern NGO advocacy strategies have been based, will no longer be fit for purpose as we move into a multi-polar world characterised by a greater plurality of decision-making fora and access points.

Poverty, its reduction and ultimately its eradication, are currently central preoccupations of international development. Their patterns and distributions are changing alongside the wider geopolitical shifts, and donor policies are changing alongside them. Declining overseas development assistance to middle-income countries is for the time being reducing resources available to ‘indigenous’ civil society groups in those countries. New donors are entering the landscape and reshaping the rules of the aid game.
These changes see new actors on the global stage. As an analysis by the Society for Participatory Research in Asia (PRIA) points out, the governments of countries like Chile, Argentina, India, South Africa and Indonesia now have important roles on the global stage – and their private businesses are also playing aggressive roles in commercial activities around the world. Civil society in these countries has not, often, in the past been transnationally focused, and may increasingly find itself caught between national interests and the values and principles reflected in global instruments and debates.

Alongside these profound changes, patterns of consumption will also shift dramatically. It is a burgeoning middle class in dynamic developing countries that will likely dominate global demand for most goods and services by 2025. The proportion of the global middle class living in developing countries is projected to increase from 55% in 2010 to 78% in 2025, with its share of spending projected to increase from 35% to 60%.

Likely impact on INGOs

INGOs will increasingly need to be prepared to ensure that the governments of ‘emerging’ countries and the G77 more widely are subject to international and transnational scrutiny by civil society actors, just as those of the G7 have been for some time. A ‘policy coherence for development’ agenda, which compares donor government policies against their development priorities, promises to accelerate the involvement of OECD-based NGOs in scrutinising the policies and practices of their own governments, and businesses that affect others around the world.

A new sense of solidarity is emerging between civil society groups whose activities are being reshaped by geopolitical shifts. But the increasingly visible and demonstrable capacity of civil society groups in a number of middle and low-income countries is also associated with new questions over the role of international development NGOs in longer-standing OECD countries.

2.6 Technology and innovation

Technological innovation could have a very significant impact on the ability of people to meet their needs and to mitigate and adapt to climate change. Today, the fields of robotics and artificial intelligence, graphene research, nano-technologies, and emerging satellite applications, among others, promise developments that could, if channelled wisely, transform the lives of poor people as well as those of today’s privileged. At the same time, there is often much hype and little information on which to craft decisions about how best to address the possible applications of these technologies.

Technological changes and the rapid diffusion of information and communications technologies have also broken down many of the old barriers between Northern and Southern publics. We now live in a ‘hyper connected world’ and this is re-shaping society, bringing us closer together and opening up new opportunities for innovation. In 2012, 5.2% of the world’s population were already ‘digital natives’ who had been internet users for five years or more, and 34% had internet access. By 2030, it is estimated that 50% of the global population will have internet access.

The 2015 Gates Foundation’s annual letter, ‘Our Big Bet for the Future’, contains an optimistic bet on four ‘breakthrough’ areas where technology innovation could deliver ‘the basics of a healthy, productive life’. In health, agricultural productivity, and through mobile banking and better software for learning, Bill and Melinda Gates bet that the lives of people in poor countries will improve faster in the next 15 years than at any other time in history – and that their lives will improve more than anyone else’s.

The potential of ‘big’ and ‘open’ data to serve the goals of more effective access to essential services and humanitarian relief in middle and low-income countries is also being more widely explored, with international development NGOs beginning to think about its relevance to their work. These are rosy visions. Yet technological innovation can also facilitate warfare, the spread of disinformation and the violation of privacy, as well as encouraging objectionable trade and investment practices.

For so long as freedom of expression is valued, the pros and cons of new technologies will always be contested. The regulation of technology, and of innovation in all its forms, will be key frontiers of
public policy, determining our rights and responsibilities within states and as members of the international community.

Likely impact on INGOs

Technology is already transforming the ‘intermediary’ role of high-income country INGOs. Civil society organisations will need to engage with the transformative potential of technological innovation, bringing our distinctive capabilities to unusual collaborations that can help to deliver the best development outcomes.

A World Economic Forum report argues that “organizations and groups that can anticipate and harness changing social uses of technology for meaningful engagement with societal challenges will be more resilient in the future under almost all scenarios considered.”

Innovation – both in its grassroots social and its often high-tech commercialisable forms – is now understood as a development imperative. Dr Devi Shetty’s model of low-cost cardiac surgery in India shows the way to new forms of so-called ‘frugal innovation’, just as Grameenphone in Bangladesh awoke a generation to the potential for information and communication technology, blended with civic purpose and enterprise, to connect poor people in rural areas with markets.

2.7 Poverty and inequality

Developing countries, including many of the poorest, have registered remarkable advances in economic development in recent years. UNDP’s 2013 Human Development Report documents how economic growth in at least 40 developing countries has helped lift many hundreds of millions of people from poverty. This is a grouping that includes larger economies, such as Brazil, China and India, and also smaller economies, such as Bangladesh, Chile and Ghana. However, it must be noted that China accounted for around three quarters of the decline in global poverty over the thirty years to 2013. And 1.2 billion people were still living in extreme poverty in mid-2014.

Equally, it is important not to allow rising GDP per capita in middle-income countries to mask a number of enduring challenges, including rising inequality, weak social protection, poor infrastructure (particularly in urban areas), environmental degradation and rising citizen expectations. Civil unrest and increasing authoritarianism are both possible outcomes of the disconnect between expectations and the performance of public authorities. The fragility of parts of middle-income countries riven by violent conflict cannot be ignored simply by their aggregated ‘middle income’ status.

According to analysis by the Overseas Development Institute, by 2025 the locus of global poverty will overwhelmingly be in fragile, mainly low-income and African states, not middle-income countries. By 2025 the number of poor people in middle-income countries could be as low as 100 million out of a global total of 560 million people in poverty. Alongside these trends in poverty, it’s important to consider the impact of income inequalities which may remain static or continue to rise, generating new sources of social friction.

A net total of 2.6 million children in 41 EU and/or OECD countries sank below the poverty line between 2008 and 2012, bringing the total number of children living in poverty in these countries to around 76.5 million. And while national inequalities in education and health are declining, 71% of the world’s 2012 population are reported to live in nations where income inequality is increasing.

Likely impact on INGOs

It is increasingly clear that every nation is ‘developing’, and concern for inequality now shows sufficient potential as a politically actionable agenda that it might gradually displace poverty eradication as the overall goal of ‘development’. INGOs must be open to new possibilities for working in common cause with others in ways that transcend old ‘North-South’ barriers. Many are already showing the way.

Civil society groups around the world will have important roles to play in both exposing and bridging the gaps caused by unequal growth. Both roles need to be recognised and valued to maximise the chances of rising to twenty-first century development challenges.
Bond members have often expressed a strong belief in the universalism of development, whereby development challenges are not confined to certain locations, focusing on need rather than countries. But this understanding could easily diverge from resource targeting choices made by other development actors, notably OECD-based development cooperation agencies.

3. The operating context for international development

Thus far, this paper has considered some of the ‘megatrends’ of the international development landscape. These are drivers of change that will shape the possible futures of international development, and the multiple public, private and civil society actors engaging with the smallest communities and the largest gatherings of government.

Taking stock, it is also clear that the post-2015 development agenda has other characteristics that will shape the outcomes and tools of international development. Some are drivers of change themselves; others the outcomes of multiple related change processes.

This section highlights five that are among the most pervasively significant for international development NGOs:

1. Disasters, displacement and humanitarian crisis
2. Change spaces, agents of change
3. Identity, values, trust and integrity
4. The future of development assistance
5. Beyond aid

3.1 Disasters, displacement and humanitarian crisis

Disasters and displacement are the outcomes of climate change, of natural processes, and of conflict. Natural disasters are already increasing, and all the indications suggest that they will continue to do so in ways that sorely test both the international development and humanitarian communities to the limit.

By 2050, some 40% of the world’s population is projected to live in river basins, increasing their vulnerability to severe water stress. While a 2011 Oxfam Research Report suggests that the price of wheat, processed rice and maize are projected to be 28% to 33% higher in real terms by 2020 than in 2010, and 75% to 89% higher by 2030. As well as contributing to natural disasters and migration, conflict is a likely result.

There is strong evidence to suggest that in the future both the character of these crises and the nature of the response from state actors, local communities and INGOs will be very different. Recent research from the Government Office for Science and Foresight suggests that environmental change, rising inequality and geopolitical barriers to migration and displacement will create many more ‘trapped’ populations who are exposed to repeated humanitarian crises.

Over the period between 2008 and 2013, an average of 27.5 million people annually were displaced by disasters brought on by natural hazards. Developing countries accounted for 97% of that displacement. The risk of displacement by disasters has doubled over the 40 years since the 1970s. Between 1901 and 1910 there were 82 recorded disasters, but between 2003 and 2012 there were more than 4,000. Even allowing for better recording, the increase is substantial.

2013 saw a dramatic rise in the number of major humanitarian crises. As the Global Humanitarian Assistance Report 2014 notes in a summary:
At 51.2 million, the total number of people living in forced displacement in 2013 was at the highest level since the Second World War.

At the end of 2013, nine out of ten refugees were hosted in developing countries. Pakistan and Iran, rather than any wealthy country of the OECD, were the largest of these hosts. And some two-thirds of the world’s refugees had been in exile for more than five years. Half were children.41

The 2014 Ebola outbreak has also focused minds on the ever-present risks of a global pandemic. In recent years an increasing number of emerging infectious disease events (such as SARS and the A/H1N1 flu virus) have spread internationally.42

There is widespread recognition that the humanitarian system is facing a crisis, as the gap between need and available resources grows wider. Domestically mobilised resources and remittances both have an important role to play in addressing that gap. Add climate change to the mix and the need for new approaches both to humanitarian finance and to deployment is abundantly clear, with significant implications for INGOs.

3.2 Change spaces, agents of change

The spaces in which development issues are addressed, and the mix of actors who are collectively agents of change for global development, have shifted and evolved, presenting both challenges and significant opportunities.

Owen Barder and Alex Evans argue that future development prospects will increasingly be shaped by efforts to tackle trans-boundary risks and to deliver global public goods.43 From tax cooperation to illicit flows, and from intellectual property regimes to global mechanisms for tackling infectious disease, the transnational and at the same time polycentric nature of many risks demands not only transnationally coordinated responses, but also responses that effectively engage across stakeholder groups. At the same time, the multilateral system has struggled to keep up with the pace of economic, social, technological and environmental change.

2015 will be a milestone – a test of the multilateral system’s ability to deliver lasting advances in the struggle to combat climate change, and to set sustainable development goals and targets for the period to 2030. But progress on major problems and ‘collective action’ challenges, or on the delivery of global public goods, is increasingly hard-fought when it reaches the United Nations.

Transnational and virtually organised networks and private institutions, such as the International Organisation for Standardisation (ISO), in which public sector actors are just one participant group among many, are now prominent as alternative spaces in which progress on social and environmental challenges is now being forged.

City leaders and local governments are more prominent than when the MDGs were initiated; perceptions of the role of business have also evolved, and new social movements and mixes of civil society actors will shape implementation of the post-2015 development agenda.

Enterprises, from farmers’ cooperatives to repurposed corporations or social enterprises, are visibly assuming a wider range of development roles, but there is a great deal still to be done to secure the accountability of business actors to communities and public interests beyond their immediate owners, workers and customers.

For civil society groups seeking analogues and partners around the world, new social movements (such as Occupy, Anonymous or the Indignados of Latin America), together with changes in civil society formations in middle and low-income countries, have brought new possibilities for transnational alliances and shared platforms. As new political parties crystallise around emerging social movements (for example the international Pirate Party movement with its concern for the information society and ‘liquid democracy’, or Syriza in Greece), the future of organising and of participatory democracy, together with old assumptions about Left and Right, is in flux.
Alongside wider geopolitical shifts, and despite numerous constrictions on the civil society operating space in some parts of the world, many civil society groups in middle and low-income countries are becoming more significant development actors. The numbers of middle and low-income country NGOs choosing to work transnationally is also increasing. Bangladesh-based BRAC was, as of 2012, the world's largest NGO.

Civil society groups around the world are learning new ways to organise and build movements. But approaches that derive from cultural forms of mobilisation such as street theatre, or that are leaderless, or that express alternative values of inclusion, participation and innovation, can create tensions with models of NGO management and organisational effectiveness that 'borrow liberally from the private sector'.

### 3.3 Identity, values, trust and integrity

An increasing number of countries and their civil society groups – those of Central Asia for example – find it hard to identify either as North or South, political terms associated with a post-colonial or Cold War approach to international development that no longer reflects contemporary and evolving political economy. Identity is on the move.

The uncertain trajectories of the so-called ‘war on terror’ and the rise of brutal forms of Islamic fundamentalism are sweeping new sub-regions into fragility and conflict; and the aftermath of multiple ‘Springs’ and revolutions, from Egypt and Libya to Ukraine and beyond, are further reordering identities.

Culture is also evolving. For example, from a religious and cultural entry point, there is a discernible rise in ‘secularism’. According to a 2012 report based on a survey of 57 countries, between 2005 and 2012 there was a 9% average drop in the number of people who considered themselves religious, with China and Japan the most secular countries. At the same time, over the next two decades, the Muslim population is forecast to grow at about twice the rate of the non-Muslim population.

Trust, itself a foundation for integrity and participation, is also shifting in different and unexpected ways around the world. The 2015 Edelman Trust Barometer, which is based on a survey of 33,000 people in 27 countries, considers trust in government, NGOs, business and the media. All but government suffered loss of trust in 2014 (with government in India recording close to a 30% gain). But government remained the least trusted of these four institutions. NGOs remained in the lead overall, but saw the largest decline in trust: “In 19 of 27 countries, trust in NGOs fell or remained at equal levels to the previous year. Only in the UAE, Indonesia, France, Brazil, the U.S., Italy, Spain and Poland did NGOs record slight upticks.”

Lack of trust in government can signal poor prospects for public policy-led development. For development, like democracy, is diminished by lack of participation in formal political processes. A more detailed discussion of what this means for the legitimacy of UK-based INGOs can be found below in 4.6.

### 3.4 The future of development assistance

Discussion on the future of aid focuses on the changing shape of overseas development assistance (ODA) and its key players and financial instruments. It is closely connected to a global agenda on ‘the future of finance for development’ which will itself reach an important milestone with the 2015 Financing for Development Conference in Addis Ababa.

In 2013, ODA reached its highest ever level after reductions in the preceding two years. But the shifting nature and scale of development challenges, as well as politics and public support in donor countries, put ODA under enormous pressure.

The long-term pressures generated by the megatrends, particularly climate change and humanitarian crises, risk displacing other development assistance priorities. And sceptical publics who face hardships and austerity at home question the returns to donor nations from development assistance.
Established bilateral donors face new performance pressures. ‘Payment by results’ and purely economic notions of ‘value for money’ are among the outcomes. The increasing currency of these concepts makes it more challenging to raise financial resources to support the long-term systems change necessary to offset risks indicated by the megatrends.

The diminished value of OECD nations’ sovereign debt guarantees, post 2008 financial crisis, has also created new performance pressures for multilateral development banks. The ‘emerging nation’-led New Development Bank and the China-proposed Asian Infrastructure Investment Bank (AIIB) can be understood as marker institutions in the new landscape. Their focus on funding infrastructure works, and more significantly the relative absence of policy conditionality for pro-poor or human rights focussed development, could shift the centre ground of good practice in an increasingly multipolar world.

A paper from ODI suggests that by 2025 emerging economies will be at least as important as OECD countries in development cooperation, and that “mutual (bilateral) foreign trade and investment interests will be powerful and transparent determinants of ‘development’ cooperation for most countries.” We might see an increase in bilateral aid connected to national interests.

Contemporary concern for tax and financial flows has made taxation and tax avoidance more mainstream policy concerns for international development. Along with illicit flows and corruption, these concerns have now entered the foreground of the development finance agenda.

Questions about the future of aid are also closely connected to a distinct ‘beyond aid’ agenda, which tends to focus on the non-ODA issues that can support or undermine transnational development efforts. The overall trend is increasingly towards new blends of ‘aid’ and ‘development’ tools, with currently-unclear consequences.

3.5 Beyond aid

Private donations directed to international development are increasingly ‘disintermediating’ not only the role of Northern NGOs as trusted ‘pass-through’ or delivery channels, but also, potentially, official aid itself. As two ODI analysts put it: “if taxpayers perceive a greater poverty ‘bang for buck’ through individual giving, which at the same time provides a greater measure of choice and individual participation, they will no longer be as supportive of the paying of taxes for official aid agency programmes.” Donors such as DFID will need to decide how to engage in this new environment. Patterns of migration continue to shape development finance, presenting significant social and cultural challenges, and also significant potential. In 2012, the World Bank estimated that a 3% increase in the stock of migrants by 2025 would lead to a 0.6% increase in global income, a gain of US$368 billion. Developing countries and migrants from those countries would benefit more than the natives of high-income countries.

The importance of remittances in the overall mix of development finance is increasingly recognised, with funding from private investment and remittances now ‘dwarfing’ funding from bilaterals and private foundations, according to a US international NGO-focused report published in 2013. Recordered remittances to middle and low-income countries from diaspora communities were projected to grow by 5.0% in 2014 to reach US$435 billion, and to rise by a further 4.4% to US$454 billion in 2015. By 2013, remittances were already more than three times larger than ODA.

Technology is facilitating the flow of remittances, which are especially important for some of the countries with the largest numbers of people living in extreme poverty. They are the largest international resource flow to India, Nigeria and Bangladesh, where in 2010 an estimated 382 million, 108 million and 64 million people respectively were estimated to be living below US$1.25 a day.
4. Strategic implications for INGOs

In the preceding analysis we have highlighted a number of long-term 'megatrends' that will re-shape the delivery context of international development. This was followed by a discussion of some of the more immediate challenges and opportunities facing international development NGOs. These challenges have a number of strategic implications for UK-based INGOs, our organisational priorities, ethos and allocation of resources.

There are no correct responses to these challenges. Rather the ‘answers’ are linked to organisational culture and strategic planning. The International Civil Society Centre counsels, logically, “only organisational cultures that support experimenting, allow for mistakes and accept failure as an important way of learning will prevail in these circumstances.” Embracing these kinds of shifts will be counter-cultural in many organisations. And it also runs counter to the low risk taking and rigid performance and accountability frameworks of many established bilateral donors.

Over the coming years, UK-based INGOs will need to respond to these possible international development futures. We need to find ways to work effectively and to innovate in rapidly shifting, ambiguous and sometimes chaotic external environments.

We highlight six such strategic issues, the resolution of which will be central to shaping the future role of UK-based INGOs:

1. The implications of increasing conflict, displacement and frequency of natural disasters for existing models of humanitarian assistance, and for the relationship between humanitarian assistance and development (a ‘humanitarian crisis’ theme)
2. The implications of pressures on civil society’s operating space for advocacy, and partnership and convergence with the private sector (a ‘shifting operating space’ theme)
3. The implications of shifts in geopolitical power for multilateral engagement, and for partnership and organisational architecture (a ‘shift to the South’ theme)
4. The implications of changing models of finance for international development NGOs, with implications for funding and business models (a ‘funding’ theme)
5. The implications of rapidly evolving technologies for finance, fundraising, campaigning and social engagement (a ‘technology, innovation and disintermediation’ theme)
6. The implications of shifting levels of trust in different societal actors around the world for the integrity, accountability and effectiveness of international development NGO activities (a ‘legitimacy’ theme)

Each of these (overlapping) issues is considered in turn below.

4.1 Humanitarian crisis

From environmental change to demographic shifts and geopolitical turbulence, the megatrend data set out in this paper indicates that we are likely to see an intensification in both the frequency and complexity of future humanitarian crises. This will present significant operational challenges.

The Humanitarian Futures Programme at King’s College London has highlighted the increasing interconnectedness of social, technological and environmental systems all of which conspire to increase the potential for novel shocks. In particular there is the likelihood that technological failure will create humanitarian crises. There is also growing appreciation that small and recurring disasters cause as much, if not more suffering as time-limited large-scale events. Moreover, research into recent high profile humanitarian crises suggest that the crises of the future are likely to have a long developmental tail requiring ongoing support across a range of social, infrastructure and environmental indicators.

These trends will require a different response from UK-based INGOs. We are already seeing the emergence of an increasingly fluid developmental cycle that blurs the boundaries between short-term crisis management and long-term efforts to build resilience and social capital. Questions of
whether INGOs should resist the temptation to divert finite resources from long-term development to short term disaster relief arise.

Legitimacy is essential in responding to crisis. The logistical skills, decentralised structures and ability to mobilise local personnel quickly close to where the need is greatest, coupled with a close proximity to a concerned UK public that will continue to donate through trusted intermediaries in times of crisis (though this may diminish over time) are amongst the core capabilities of UK-based INGOs. The non-partisan nature of many humanitarian agencies allows them to operate where other actors cannot.

How might INGOs respond?
Given the increasing frequency and complexity of humanitarian crises, INGOs need to prioritise their ability to mitigate and respond. Tough questions need to be asked: should organisations work with the grain of existing power systems or through the change and transformation of the same systems?

As the development cycle becomes increasingly fluid it is increasingly difficult to distinguish between short-term crisis relief and long-term development work. The likelihood that humanitarian crises will intensify in both frequency and complexity will place added demands on our organisational architecture and approaches.

The interconnectedness of human, environmental and technological systems has the potential to create new types of shocks while there is growing recognition of the destructive impact of small and recurrent crises that go largely under the radar of public attention. Given this future, how can we continue to separate ideas around long-term development and short-term disaster relief?

Adaptation, mitigation and resilience are already 21st century priorities. What role do we have in building local assets and how can we work more effectively with local partners who may be better placed to intervene early before crisis point?

4.2 Shifting advocacy and operating space

The advocacy and operating space for civil society is becoming squeezed in many parts of the world, as government and private sector service provision increase. At the same time, the enabling environment for civil society voice and action is being threatened.

Combined with dismal trends in key indexes of democracy and freedom, the immediate operating context is difficult for many of our civil society partners. The International Centre for Non-Profit Law reported that between 2012 and 2013, six countries had introduced laws or regulations that limit NGOs from accessing foreign funding without approval, or limiting access to funding, and an additional seven countries including India, Malaysia and Pakistan considered introducing restrictive legislation.64

The new ‘emerging country’ donors will bring distinct characteristics to the international development landscape. It has been suggested for example that some major new players are “giving credibility” to restrictions on the work of INGOs.65 Certainly, many emerging nations’ governments are at best antipathetic towards foreign funding for local NGOs on contentious local and national issues.66 Any increased focus on advocacy or campaigning and on rights in the work of international NGOs in these countries will likely intensify suggestions that they are interfering improperly in domestic politics.

The picture is far from uniformly grim. There are also plenty of settings where space for civil society contributions to development policy has increased. A paper published by PRIA offers an example from Chile, where for the first time in recent history a large-scale social movement (in this case for education reform) was not led by any political party. Service delivery and capacity-building for local governance institutions roles are also among the paper’s examples. The challenge, it argues, is for civil society to “bridge the formal political system and the politics of citizen actions”.67

Alongside civil society and government antipathy and collaboration, shared operating space between business and charity are emerging. ‘Aid’ and ‘sustainability’, says one report, are becoming
‘business’ in new ways. Convergence between private and civil society operating models is becoming increasingly apparent.

For INGOs, issues arise in three areas: business partnerships, social enterprise and service delivery. The first of these reflects the challenges in maintaining a diverse set of approaches to engagement with business and enterprise. INGOs working on corporate accountability, or to reduce the influence of business on democracy, for example, could find themselves increasingly separated from those that choose on occasion or as a rule, to work in partnership with business.

Civil society groups can add legitimacy, insight, community development and other skills to business involvement in development challenges. There is considerable untapped potential to blend NGO and private sector capabilities to innovate on some of the key themes that international development NGOs work on, and the green economy concept also points to a significant role for new forms of civil society-private sector engagement. Partnerships such as that launched between GSK and Save the Children to tackle child mortality, with the express goal of aiming to save a million children’s lives, are a contemporary manifestation of long-evolving thinking in this area.

Already, some INGOs have created enterprises to deliver products or services that are closely aligned with their development missions. The International Civil Society Centre identifies three trends with a bearing on the adoption and uptake of social enterprise models: ‘beneficiaries’ becoming ‘customers’ and ‘clients’; new payment technologies facilitating the charging and collection of micropayments; and private sector actors actively seeking new business models that allow them to serve poorer communities.

Contemporary bilateral donor concepts such as ‘value for money’ and ‘payment by results’ bring business performance principles to international development. There are opportunities for those organisations that can adopt the management systems that these kinds of concepts demand, or that work in ways that readily lend themselves to ‘success’ under their metrics. But there are risks to our identity as ‘of’ civil society: “in a bid to satisfy donor demands for results and value for money, INGOs may become technical implementing agencies almost by default.”

How might INGOs respond?

Convergence between private sector and civil society management systems, business models, and partnerships demands new combinations of competences and organisational capabilities. We face significant ‘fork in the road’ choices about whether we adapt, or seek to transform, these shifts.

At the same time as this operating space is growing, there is a renewed imperative for UK international development NGOs to work in solidarity with civil society groups and citizens’ movements around the world that face repression or constraints.

Our solutions-orientation and problem-solving capacity opens up possible market opportunities for our work, and makes us attractive entrants to service delivery and business partnerships. But we confront a deep choice. If our resources shrink and the private sector takes on a more dominant role in delivering social provision and development, will we join them, or hold back? In what mixes will we work for corporate accountability and proactive ‘development responsibility’ and advancement by private sector actors? Will we embrace the hugely significant positive development potential of the private sector and work in common cause, or work exclusively to strengthen other civil society groups?

One analysis points to a choice between ‘corporate logic’ and ‘solidarity and rights’; arguing that it is the latter, not the former, that is essential for INGOs. Each of these can find an expression in various forms of business collaboration and social enterprise; but they will not fit all of our cultures, and it is important to maintain accountability and independence.

4.3 Shift to the South

Disintermediation is one manifestation of a wider shift to middle and low-income countries across the international development landscape. As earlier sections of this paper have already indicated, this has implications for almost everything that international development NGOs do.
Some INGOs have begun to explore more decentralised and devolved structures that afford a closer connection to, or a more limited ‘enabling’ role for, the people or partner organisations whose needs or missions are at the centre of what they do. EveryChild’s radical decision to become just one part of a loosely connected transnational networked alliance, focused on raising funds in the North, is one much-cited model.

An alternative is to retain a ‘global’ brand through a federated structure, decentralising power and sharing ‘enabling’ business functions for enhanced efficiencies. INGOs, including Oxfam, have planned a ‘shift to the South’ in a variety of different ways that will mean changes to the role of UK offices.

How might INGOs respond?

In a globalised world in which many persistent development challenges are trans-boundary, or relate to global public goods, there will always be value in a strong civil society in every location, able to work on global issues across and in the spaces that are left by bottom-up approaches.

There will still be a need for organisations whose strengths lie in facilitating shared learning and monitoring across borders of connected systems through which power, and the power to make a difference, is distributed. INGOs may have what it takes to do this.

If we seek to build and retain ‘international’ brands in order to secure our financial and human resources and maximise influence, perceptions of our work in one country will likely influence how we are perceived in others. We will need increasingly both to “signal a uniform vision and mission and to respond differently to different situations in different countries”.

We will need to make choices about how we respond to, and practice, our understanding of the ‘universalism’ of development. For some of us, it may mean a shift in focus to ‘need’ rather than ‘location’ and to ‘inequality’ and ‘sustainability’ rather than poverty. Many more of us may be working in today’s high-income countries in ten years’ time. This set of choices is underpinned by a more fundamental question: to what extent will we develop organisational forms and ways of working that make us part of ‘people in need’ or ‘people living in poverty’, versus agencies that work for those people?

4.4 Funding

With more grants going directly to NGOs based in middle and low-income countries, established donors moving ‘beyond aid’ in emerging middle-income countries, new technology platforms disintermediating fundraising for projects and programmes, and traditional bilateral donors potentially increasingly seeking to align ODA with trade and investment, fundraising for development is becoming increasingly challenging for international development NGOs. Within those, ‘payment by results’ contracts and the ‘value for money’ agenda all favour large NGOs, risking squeezing out smaller organisations and threatening the diversity of the sector.

Some international development NGOs will find that their grasp of good practice and insights from multiple settings around the world provide valuable assets – but that demand for those assets increasingly comes from middle and low-income countries. UK-based INGOs could see themselves being increasingly subcontracted as service providers by longstanding partners in middle and low-income countries where development funds are increasingly raised or located.

The emerging generation of online funding platforms are closely associated with a wider trend for the millennial generation of individual donors to see their donations not as ‘philanthropy’ but as ‘investment’. This means adopting new and innovative approaches to ‘investor’ engagement. In one example, Charity: Water has put remote sensors on wells — so that its backers can see how much water flows from the assets that they helped to build.

This trend to seek ‘returns on investment’ from development donations is mirrored in the rapid emergence of a distinct ‘impact investing’ community. Impact investing can be broadly described as an investment strategy whereby an investor proactively seeks to place capital in businesses designed to generate positive social and/or environmental impacts as well as financial returns. This
offers significant potential returns to those international development NGOs that are able to develop ‘investment-ready’ social enterprises, whether alone or in partnership with others.

The coming decade will compel many international development NGOs to take a view on how to engage with the emerging ‘cryptocurrencies’, such as bitcoin. Bitcoin is just one of numerous cryptocurrencies which feature a characteristic disintermediation from banks or other hard currency intermediaries or guarantors.

Cryptocurrencies that are network-based could facilitate microfinance initiatives and direct cash transfers by NGOs and development agencies. They could also prove increasingly useful to those living and working in unstable settings associated with the collapse of national government-backed currencies. There are already some signs of change. For example BitPesa links the power of Kenya’s existing MPesa system (based on SMS-based transfers of prepaid airtime) to bitcoin transactions, allowing bitcoin-based transfers via mobile phone.78

How might INGOs respond?
Rather than managing pass-through funds for donors, we will be able to add brand and skills into shared ventures. We can also work to create platforms that allow our partners to report to, and engage directly, with donors based in the OECD.79

As a community, we will need increasingly to find ways to engage with our new generation of funders in ways that reflect their desire to see social returns on their investment. We can embrace innovative technologies to help us meet these needs.

4.5 Technology, innovation and disintermediation

Technology is transforming fundraising. In a development that closely mirrors the trend towards disintermediation, the number of crowdfunding platforms worldwide almost doubled between 2010 and 2012. The estimated volume of funds raised grew from US$2.7 billion in 2012 to a projected US$5.1 billion in 2013. Crowdfunding is currently a largely OECD-based tool: in 2012, 94% of crowdfunding was raised in North America and Europe.80 But this will surely change.

As Michael J. Elliott, of the ONE campaign, memorably says: “the digital revolution’s hallmark is disintermediation, shrinking the space between individuals and organizations. If NGOs think it won’t impact their work, they’re kidding themselves”81 For UK-based international development NGOs, disintermediation is both a potential threat and an opportunity. How each will play out – the threats and the opportunities – is uncertain.

The threat is to our ability to build public support, funding, and advocacy influence through ‘intermediated’ services. The not inconsiderable opportunity is mission-related: to take advantage of disintermediation to shift power and resources directly to partners and communities in middle and low-income countries. After all, why engage through an OECD-based organisation when you can go directly to the grassroots in the country of your choice? An analysis for ActionAid recommends: “put your members in charge because they can bypass you.”82

Kiva and Give Directly are two examples among the new disintermediated funding platforms. Give Directly is a not for profit organisation, currently operating in Kenya and Uganda, that aims to help people living in extreme poverty. It does so by making unconditional cash transfers to them via mobile phone, using MPesa. In total, Give Directly has transferred about USD$6.3m to 6,000 households in Africa in the past four years.83

Kiva and Give Directly do not yet appear to have had an adverse impact on traditional forms of intermediation.84 But as they become more deeply embedded in the international development landscape, online funding platforms will likely change understanding of ‘good practice’ in the screening and evaluation of funded interventions. Intermediated approaches may have lasting currency, at least for the medium-term, if the intermediaries can show that their involvement secures better project selection and development outcomes. ‘Child sponsorship’ via intermediary organisations (a significant business model for a number of international development NGOs) will be one fundraising tool to track closely for signs of change.85
How might INGOs respond?

If, as UK-based international development NGOs, we wish to hold on to our ‘intermediated’ roles, we will need to do more to sustain the support of the public ‘at home’, to demonstrate our impact and effectiveness, and to appeal to new generations of supporters. How we perform in building trust and demonstrating integrity to these supporters, who want to be involved rather than simply to give, and how we add value, will be a determinant of our ability to act as intermediaries.

The ‘shift to the South’ means that we will increasingly need to make choices about how we distribute our staff, our funding, our offices and our collaborations, across geographies. A recent International Civil Society Centre report argues that INGOs must accelerate the speed with which they are able to innovate. The challenge is to: “transform [our] ability to make quick decisions to try things out and take calculated risks without having to agree on global policy changes or build consensus on new models at all levels.”

Increasingly, every development issue has its actual or potential technology ‘fixes’, from geo-engineering and nuclear fusion, to disintermediated online platforms for giving. Innovation is an imperative. But to innovate, we will have to find ways to overcome the countervailing forces of “close donor relationships and a high opportunity cost to pursue alternatives to current grant approaches”.

Engaging with online information and communication technologies is an imperative. But we also face wider choices. Will we work to enhance direct implementation by groups and communities based in middle and low-income countries, or become service delivery agents to those groups? Will we seek to shape the wider applications of technology to development, or simply respond to its impacts?

4.6 Legitimacy, trust and integrity

According to the Edelman Trust Barometer 2015, trust in NGOs in the UK dropped hugely from 67% to 51% in just one year. Business is now trusted marginally more than NGOs in the UK. This is a statistic with potentially significant implications for the ability of UK international development NGOs to mobilise public support for their work.

Moreover, the realignment of identity politics, values and public trust raise important questions about the long-term legitimacy of UK-based INGOs. In whose name do we speak? What benefits do we offer and is this done in a transparent, accountable way that encourages local participation? Legitimacy is key to the work of UK-based INGOs. It fosters credibility with funders, carries weight with state institutions and can improve access to key target audiences. But several long-term trends have the potential to drain this well of legitimacy.

For example, funding and other pressures on civil society to engage more deeply with business through the processes of convergence outlined above could potentially further exacerbate loss of trust. As one report suggests, the reliance of many INGOs on official donors and business “makes some of their claims of independence and moral legitimacy untenable.”

53% of those polled in 2012 across 23 countries said that their respect for a charity or non-governmental organisation would go down if it chose to partner with a company. Notably, the proportion in China who said that they would lose respect for an NGO engaged in a corporate partnership rose from 46% in 2003 to 78% in 2012. The poll also recorded significant rises in the proportions of such sceptics in India and Russia.

As levels of trust fluctuate, one conversation about legitimacy increases in vehemence. Criticisms of the power and privilege of Northern NGOs speaking, advocating and designing projects on behalf Southern communities are becoming increasingly mainstream. As paternalistic interventions become less accepted, more work is needed to build legitimacy.

Being legitimately representative entails stronger identification with local communities, including the devolution of power and resources, and the ability to mobilise membership and take clear steps to improve local accountability, transparency and relationships. Initiatives like the International Aid Transparency Initiative could help to strengthen and sustain the legitimacy of INGOs in this changing environment.
How might INGOs respond?

As international development NGOs, our effectiveness depends on our ability to command trust. We must prepare for our governance structures, internal cultures, fundraising, and communications and advocacy tools to be scrutinised continually and with increased intensity.

Legitimacy is vital; effective development practice is impossible without it. However, the new realities of identity politics, reduced public trust in state and civic institutions and heightened local expectations in relation to transparency and accountability challenge our assumptions about legitimacy. We need to restate this case and respond to these new realities.

Of course, building legitimacy is invariably context specific but a number of strategic questions do emerge. Not least, how do we strengthen and renew our relationship with existing UK-based members and donors? How do we balance this with a stronger identification with local partners and communities? In particular, how do we develop new models of representative governance that allow for greater devolution of power and resources? What steps can be taken to encourage greater transparency and accountability to the communities we support?

5. Why work with civil society?

Civil society is necessary to meet the challenges on the horizon. Although it appears that there are increasingly blurred lines between the private, public and ‘third’ sectors, civil society is still needed to operate in the space between what is profitable and what the state provides. There are gaps between what actors in the private sector are incentivised to do, and what governments are politically willing to do. Civil society is based on the universality of rights, and in doing so ends up working where others will not.

The UK Department for International Development, a major donor and partner for international development NGOs both based in the UK and overseas, articulates the reasons for working with civil society:

“In meeting its commitments DFID recognises the contribution that civil society has to make to ‘finishing the job’ on the MDGs and achieving any new sustainable development goals by:

- reaching poor and marginalised people;
- helping poor people set standards for their lives and demanding that they be met;
- providing basic services and livelihoods in places that the government or private sector have not reached.

CSOs are able to build relationships, trust and legitimacy, through their grass-roots knowledge of needs in developing countries. This is crucial part of the open societies required for tackling poverty and its underlying causes and creating economic growth and development. CSOs play an important role in delivering development assistance on fragile and conflict affected countries and regions. CSOs will remain a key part of the overall portfolio of action necessary to achieve poverty reduction.”
6. The distinctive roles of UK-based INGOs

The UK international development sector has much to be proud about, and in previous decades many organisations in the UK have undertaken a wide range of activities (such as delivering services, representing on global stages, and acting as watchdogs) with integrity, tenacity and passion. But we have reached the point where many of the previous roles fulfilled by UK-based INGOs can and should be fulfilled locally, by in-country actors. The capacity of government, enterprise and civil society in the global South should grow at pace, to allow autonomy and responsibility for their own communities.

Yet there are still areas in which UK-based INGOs are currently well placed to add value. As well as capitalising on our experience and networks, there are some roles that local civil society is unable to meet due to current legislative, geographic or political constraints.

So, what of the distinctive roles of UK international development NGOs over the coming ten or fifteen years? Six distinct roles emerge from the analysis in this paper:

Addressing crises wherever they arise

- Capitalising on substantial previous experience, UK-based INGOs will continue to have a distinctive role in addressing humanitarian crises.
- Our role will play out wherever there is a need to deploy our assets and capabilities, whether the need is in Japan, East Anglia, or the Philippines.
- Our logistical skills, our ability as decentralised structures to mobilise local personnel quickly close to where the need is greatest, and our proximity to a UK concerned public that will continue to donate through trusted intermediaries in times of crisis (though this may diminish over time) will be among our core capabilities.

Peace-building and work in fragile states where local civil society is compromised

- UK-based international development NGOs will continue to have a role in peace-building and working in fragile states or regions where local or regional actors are seen as partisan or organised civil society has been destroyed or weakened.
- How we carry out this work will necessarily vary from context to context, but will certainly increasingly include collaborative work with informal and formal enterprises as well as municipalities, governments and communities.

Working in the UK on issues of international solidarity

- No matter how dramatic or what form the ‘shift to the South’ takes, we will have a distinctive role to play in working in international solidarity with those in need, wherever they may be found, and in raising the awareness of concerned publics in the UK and the EU of the nature and distribution of human need.
- Alongside an increasing number of non UK-headquartered international development NGOs who build a base here, we will use our UK bases to raise financial resources in the UK and the OECD for deployment where there is need.
- We will become increasingly skilled at engaging with, enhancing and mobilising public concern on inequality, poverty and sustainability.
- In defence of human rights and democracy, we will speak up, and seek to open space, for those whose ability to speak for themselves is limited by repression or authoritarian rule.

Speaking up for those who are unable to claim their rights themselves

- The megatrends outlined above have the potential to create winners and losers, and amplify the voices of some while further marginalising others. To ensure that vulnerable populations are not left behind by rapid social, demographic and technological change UK-BASED INGOs will have an important role to play as an advocate and champion of human rights, for example addressing gender inequality and minority groups.
• Especially in those communities where speaking out is impossible or dangerous, UK-based INGOs will have a responsibility to provide voice to the voiceless. This could include LGBTI groups in countries where their identity is criminalised, or supporting stateless refugee communities.

• In turn this requires continued effort to build trust and credibility with both vulnerable communities and key decision-makers.

Providing ‘on demand’ technical expertise and capacity building

• If requested, at their invitation we will work to support and strengthen civil society groups and NGOs based in middle and stable low-income countries.

• As funding goes local, civil society groups overseas will be able to ‘buy in’ our services and support. We will offer subcontracted support on international donor-funded projects.

• This may include organisational development advice and support on fundraising, action-oriented research, advocacy before or in international institutions, communications and outreach, and potentially partnership-based collaboration and coalition-building skills.

• This could also include technical assistance, for example offering research, technology and expertise in areas that UK has particular knowledge-leadership.

Transnational advocacy towards UK policy-makers

• We will retain and strengthen our role as transnational advocates, policy analysts, and campaigners on global public goods and in relation to inherently transnational issues.

• We will be advocates with UK-based actors whose actions or policies have a bearing on development outcomes, whether these are private sector, government or other institutions.

• We are uniquely placed to access and influence UK-based decision makers, but will need to gain our legitimacy and insight from our relationships and networks with affected communities.

• We will support the direct participation of marginalised groups in UK, transnational and international fora where the rules and policies that affect their lives are agreed.

Each of these six distinctive roles will increasingly need to be implemented in cooperation with transnational networks and collaborative platforms, and through multi-stakeholder alliances. The precise ways in which they are pursued by individual organisations will depend on our individual organisational characteristics and on other strategic choices that we make. Together, they have the potential to define the value added of the UK’s international development community.
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37 See e.g. Ben Jackson’s evidence to the International Development Committee’s Inquiry into the Future of UK Development Cooperation, Phase II: Beyond Aid, at para 16 of the Select Committee report: “our members are quite clear that the focus of aid should be on poverty and need… not defined simply by whether the overall economy is low income”. Report published 2 February 2015. Available online via http://www.publications.parliament.uk/pa/cm201415/cmselect/cmintdev/663/66302.htm


44 See http://www.brac.net/content/faq-0#.VNyQ3fmsWFU and http://en.wikipedia.org/wiki/BRAC_%28NGO%29


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For a pre-2008 analysis that contains many useful insights, see European Investment Bank, International financial institutions in the 21st century, EIB Papers, 1998


Migration and Development Brief 23. The World Bank, 6 October 2014


See e.g. Ranjan, A., Foreign-aided NGOs are actively stalling development, IB tells PMO in a report, Indian Express, 7 June 2014. Available online via http://indianexpress.com/article/india/india-others/foreign-aided-ngos-are-actively-stalling-development-ib-tells-pmo-in-a-report/


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See [www.givedirectly.org](http://www.givedirectly.org)


See [http://www.aidtransparency.net](http://www.aidtransparency.net)