An introduction to social innovation for NGOs
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About Bond

Bond is the civil society network for global change.
We bring people together to make the international
development sector more effective. bond.org.uk

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Key messages

Social innovation is more important than ever before
Innovation is critical for organisations wanting to meet the scale of current global challenges, increase their impact and stay relevant in a changing context. NGOs should consider the strategic objectives of their innovation efforts and how it can help improve their future-readiness.

Social innovation needs to be better understood in NGOs
NGOs can use the frameworks presented in this report as a starting point to build understanding of how social innovation can contribute to their goals, and how it can be supported strategically.

Social innovation practice is still emerging in NGOs
Platforms offered by Bond and others offer opportunities to share experience and learn how innovation can be stimulated effectively.

Social innovation is a mindset and a process that can be taught, learned and reinforced with practice
NGOs can ensure they are helping to build their staff’s innovation capability by offering access to capacity building and training initiatives, supporting their participation in learning platforms, and encouraging diversity of talent in recruitment practices.

Supporting social innovation requires dedicated resources
Innovation funds alone, however, may not be the answer for NGOs wanting to improve their innovation efforts. NGOs can use inspiration from this briefing to identify a range of creative ways they could allocate internal resources to better support innovation – or identify where external resources (e.g. collaborative partnerships) might help accelerate organisational abilities. NGOs should consider introducing a dedicated innovation process that is capable of generating new ideas and helps take successful initiatives to scale.

Successful social innovation revolves around effective learning and rapid iteration
NGOs need to get serious about using fast feedback, measuring impact, and learning how to improve their innovation efforts and capability. The innovation audit, which can be arranged through Bond, is a good way of starting to understand current areas of strength and weakness.

Social innovation often occurs because of new collaborations or through the adoption of ideas from elsewhere
NGOs can encourage this by promoting openness within and beyond the organisation, looking for opportunities to remove silos, maintain an outward focus through regular horizon scanning, and actively exploring connections with unusual suspects outside the NGO sector.

Social innovation can be serendipitous, but NGOs hoping good ideas will emerge unprompted are unlikely to be maximising their potential
NGO leaders must openly champion innovation, articulate its value and provide a clear green light for innovative behaviours throughout their organisations.

Social innovation is not a silver bullet
The causes of poverty are deep-rooted and complex and linked to issues of power and injustice. In such a context there are rarely simple solutions or quick fixes. It is frequently the efforts of multiple stakeholders combining tried and tested approaches alongside innovative ones that help to bring positive change.
Introduction

Social innovation is coming up the agenda fast for NGOs. The increasing rate of change in the world and the growing gap between the scale of the problems we face and the solutions on offer make the need for innovation more evident – and donors are increasingly demanding it.

Although many aspects of innovation, including the ability to creatively problem solve and adapt to changing context, have long underpinned the work of NGOs, it is currently emerging as a new and distinct area of practice. At present, there is both scepticism towards, and enthusiasm for, innovation in the sector – as well as a great deal of confusion about exactly what it is.

This issue briefing aims to help demystify social innovation for NGOs, build greater common understanding of social innovation across the Bond network, and inspire more impactful innovation efforts.

We hope to do this by introducing frameworks that can help organisations wanting to focus strategically on social innovation, and making visible examples of innovation from NGOs and the wider sector. This briefing accompanies a new programme of futures and innovation activities from Bond, as well as a resource and information hub on the Bond website, including an online library of innovation case studies.

The information in this briefing comes from research carried out in partnership with SIX (Social Innovation Exchange) and Oxfam in early 2016, which included: a literature review; an analysis of over 200 case studies from both Bond and non-Bond members; semi-structured interviews with over 30 innovation practitioners; and an all-day workshop with 16 NGOs and two donor agencies.

Who is this for?

This issue briefing is for you, if:

• You play a key role in helping your organisation to be more creative, collaborative, agile and future-focused.
• You are responsible for encouraging innovation in your team or NGO.
• You are interested in understanding more about innovation and how you can develop your, and your organisation’s knowledge in this area.

Structure of this briefing

This briefing is divided into two main parts:

1. Understanding social innovation
   This section attempts to define social innovation in international development, exploring the contextual drivers, the different types and degrees of social innovation that exist, and the process that facilitates it.

2. Enabling innovation in your NGO
   This section draws from current practice in NGOs to highlight examples of how NGOs are creating a conducive environment for innovation, and identify current gaps.

Each section poses a series of key questions, offers answers based on current practice in NGOs, and provides suggested next steps to help you develop your organisation’s approach to innovation.

It concludes with some key takeaway ideas and next steps for organisations wanting to continue their innovation journey.

Social innovation is still an emerging practice and discipline for NGOs, so we are conscious that this brief is very much a first, and therefore incomplete, attempt at bringing together learning across the sector. As social innovation practice matures, Bond will continue to play a role in encouraging the sharing of knowledge between its members.
Part 1: Understanding social innovation

What is social innovation in an NGO context?

“The risk I see now with innovation coming of age is that people are saying different things about what it actually is.”

Milica Begovic, UNDP

Our research found that most NGOs don’t yet have a clear or precise organisational definition of innovation. This is perhaps not surprising given that social innovation is a practice-led field, which has developed without clear boundaries, definitions or meaning.1

Despite this, two critical elements consistently emerged from our conversations with NGOs about their understanding of social innovation. These were:

• Novelty – the development or implementation of new ideas and approaches.
• Effectiveness – achieving a more positive impact on a social problem.

The end focus on addressing social challenges and needs is what distinguishes social innovation from other forms of innovation, such as business or technological innovation.

After seeking input from Bond members, we believe social innovation in NGOs can be most simply defined as: “any solution that has the potential to address an important development problem more effectively than existing approaches.”*

We expand on this definition in the sections that follow. We refer to innovation and social innovation interchangeably in the remainder of this briefing.

Question for reflection

How can you share and use this definition to build common understanding about social innovation in your organisation?

Why should NGOs innovate?

“If ending poverty and inequality is about shifting power relationships, almost by definition we will need to take risks and find new ways of doing things.”

Christian Aid internal document for the In Their Lifetime innovation fund

In the Tomorrow’s World report Bond identified a number of “megatrends” that are likely to substantially influence the face of poverty on a national and global scale, and significantly alter the wider operating context within which NGOs work:2

• Climate change
• Demographic shifts
• Urbanisation
• Natural resource scarcity
• Geopolitical shifts
• Processes of technological transformation and innovation
• Increasing rates of inequality.

These megatrends are creating new challenges at the global and national level, and impacting all sectors of society. Globally, civil society space is shrinking and official development assistance is declining, while new funding mechanisms and alternatives to aid are appearing, including domestic resource mobilisation, remittances and private investment. The nature of poverty is changing, and these challenges will be at the forefront of international development in the years ahead.

Given the increasing rate of change impacting so many aspects of our world, the need for innovation is becoming more apparent, and in this environment, the organisations that are best placed to thrive are those that are highly connected and agile, and those that seek to be disruptors rather than remaining trapped in business as usual mindsets.


* Adapted from the Global Innovation Fund definition and tested against the definitions of 16 NGOs in a workshop held at Bond on 17 February 2016.

Our research found four major motivating factors for social innovation within NGOs, with many organisations driven by a combination of some, if not all, of the following:

- A desire to increase the effectiveness and impact of an organisation’s work for affected communities.
- Differentiating from other development organisations in a competitive funding environment.
- The need to retain relevance and stay “future fit” in a rapidly changing world as the nature of poverty shifts and technological advances offer new opportunities to solve existing problems.
- A recognition that new solutions are needed to meet the scale of the global challenges we face, from climate change to increasingly protracted conflicts, as well as the leap in progress required to achieve the Sustainable Development Goals.

“If you want to get new resources you also need new offerings which requires innovation. How do you attract a new customer or donor? With something different – humans want variety and diversity.”

Otto Farkas, World Vision International

What makes something “innovative”?*

“It’s not always black and white – this is innovation and this isn’t”

David Clark, Christian Aid

In searching for social innovation case studies and talking to Bond members, we found that many NGOs struggle to diagnose or articulate exactly what makes a new idea innovative. Being able to articulate how your innovation is an improvement on what you, or others, have been doing is critical to making the case for support internally and externally.

“50% of the applications received so far have been rejected because they are not able to show that their solution has the potential to be better than existing development practice.”

Global Innovation Fund

We also discovered that social innovation tended to be viewed in fairly narrow terms – as the creation of a new service or product, or as the use of new technology.

To help address both challenges, we worked with a group of 16 NGOs to test and adapt a framework that identifies the different “types” of social innovation that exist. Doblin, who invented the framework for the business world, found that “simple” innovations may use only one or two types, but more sophisticated (and often more ground breaking) innovations combine a number of innovation “types” simultaneously.

Question for reflection
In your organisation or team, what is the sense of urgency to adapt and innovate in relation to each of these four motivations?

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## Nine types of innovation

### 1. Funding model
**How you finance your work**

Does it have a different revenue model or funding source compared to most NGOs (e.g., a social franchise)?

<table>
<thead>
<tr>
<th><strong>Example</strong></th>
<th>Social enterprise brings jobs and essential products to rural Bangladesh</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Limited employment opportunities for women and poor access to hygiene and agricultural products for communities are major challenges for the people of Bangladesh.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>JITA</strong> is a social enterprise that employs Bangladeshi women who have never earned their own income to sell essential products door-to-door.</td>
<td></td>
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<tr>
<td>The women sell items including solar lamps, micro-nutrient supplements and sanitary towels in remote villages. Due to their locations, these villages would not previously have had access to these products.</td>
<td></td>
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<tr>
<td><strong>JITA</strong> has so far achieved £1.5m in sales and employed 4,000 women who serve two million customers.</td>
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<tr>
<td>The social enterprise is co-owned by CARE International and Danone Communities. Unlike grant-funded projects, JITA offers a financially sustainable model that blends social benefit and commercial viability.</td>
<td></td>
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</tbody>
</table>

### 2. Collaboration
**How you work with new or unusual partners to achieve more impact**

Does it involve relationships with organisations or people that have changed how you work or what you do?

<table>
<thead>
<tr>
<th><strong>Example</strong></th>
<th>A network approach to resolving water shortage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chaotic water management in Tajikistan has driven many people to taking water directly from irrigation canals and rivers. Consequently, diarrhoea is the most common disease in the country.</strong></td>
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<tr>
<td><strong>Oxfam</strong> began work in Tajikistan following two years of drought. Concerns that many of the changes it put in place had not lasted were confirmed when Oxfam conducted a review five years later.</td>
<td></td>
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<tr>
<td>As a result, Oxfam switched from a direct service delivery model to playing a convening and brokering role. They did this by creating the Tajikistan Water Supply and Sanitation Network which brought a variety of organisations together to tackle the chaos surrounding water management in Tajikistan. It aimed to improve communication between all parties to help overcome this challenge.</td>
<td></td>
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<tr>
<td>This network has created a much better environment for decision-making regarding water management in Tajikistan. It has contributed to a host of improvements, policies and regulations. These include a national law regarding drinking water, as well as government agreement to co-fund infrastructure projects.</td>
<td></td>
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3. Organisational structure
How you organise your internal talents and resources to deliver impact

Does it change the way you use your organisation’s human/other assets (eg new organisational structure or talent programme) to achieve your goals?

Example
Changing from a UK-based INGO to a global alliance to improve the lives of vulnerable children

Millions of children across the world live without the protection of a caring family. As a result, they are vulnerable to a number of risks including exploitation, trafficking, child labour, marriage, and other forms of physical, sexual and emotional abuse.

Family for Every Child is pioneering a new approach to tackling this crisis – by changing its organisational structure. It has created a global alliance, bringing together the knowledge and resources of 21 organisations across 20 countries.

Whereas it used to be a typical UK-based INGO with southern partners, Family for Every Child has transformed into a global network. By working as an alliance of organisations, it is better able to work out how to deliver effective solutions in different parts of the world.

This model allows Family for Every Child to increase its impact locally and nationally by drawing on different knowledge, skills, expertise and fundraising capacity.

The impact of this model is starting to be demonstrated. Family for Every Child has lobbied the Ghanaian government to increase the reach of its social protection to 60,000 more families. This money will help improve children’s wellbeing and prevent families from being separated. It is also leading efforts to develop guidelines for the safe reintegration of separated children into their families.⁷

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4. Process
How you deliver your work more effectively
Does it change the way you deliver your programmes or carry out your activities by using new or different processes/methods (eg using new technology)?

Example
Protecting forests with community monitoring app
The cost of illegal logging to Congo Basin countries alone is estimated to run to hundreds of millions of dollars every year.\(^8\) Instances of illegal logging are often reported long after the event, which makes them difficult to investigate.

Rainforest Foundation UK (RFUK) has developed a new system, which allows members of the public to report forest abuses.\(^9\) Using an app, people can immediately share information about what they have seen with enforcement agencies.

Although forest monitoring has been done before, this real-time monitoring system is much faster and provides greater qualitative detail than satellite imagery often can. This means the information shared can be acted on by enforcement agencies as it happens, rather than after the event. By involving local communities and having an app that can be accessed in areas where there is no mobile phone reception or internet connection, there is also potential to have much wider geographical coverage.

In early 2015, communities in Cameroon were trained in how to spot and report forest illegalities using the app. During this period, 40 illegal incidents were reported, of which 20 were verified.

RFUK hopes to take this initiative to Peru and, if this is successful, to use the app to mobilise a global network of community forest monitors.

5. Service/product
How you develop programmes and initiatives that achieve more impact
Is it a new or more effective product or service than what you had before?

Example
Helping farmers earn a living with rented tractors
Without the machinery and workers they need to make the most of farm land, farmers in Nigeria often end up with poor harvests and lost income.

To combat this problem, farmers can now use text messaging to rent tractors through Hello Tractor.\(^10\) This service is more practical for small farmers than the alternative, which was to take out an unaffordable loan (often charged at 30% interest with full repayment due in one year) to buy their own tractor.\(^11\)

The social enterprise has designed low-cost “smart tractors” which meet the specific needs of small farms. A network of smart-tractor owners rents the machines out to farmers who can book and pay for them using SMS messages.

Each tractor has a set of attachments, allowing them to be tailored for use on particular crops or at specific stages of the production cycle. The machines are 40 times faster than manual labour, which results in a 200% increase in farmers’ yields.

Hello Tractor is now looking to expand into Cameroon.

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### 6. Service/product coordination

**How you create complementary products and services that work together to deliver better outcomes**

Have you developed complementary services or products, or connected existing ones in a new way (e.g. bundling services)?

#### Example

**Women deliver life-saving health products and services door to door**

Many poor communities face severe shortages of health workers and medicines. In Africa, there are only 2.3 health workers per 1,000 people, and the poorest are often forced to pay several times the factory cost for vital drugs.12

Living Goods works to empower community health promoters (CHPs) in Uganda, Kenya, Zambia and Myanmar who visit families at home, check children’s health, provide support for pregnant women, and offer advice. They also sell products such as treatments for malaria and diarrhoea, safe delivery kits, fortified foods, clean cooking stoves, water filters and solar lights.

By leveraging the rich social networks of CHPs who live in the communities they serve, and supporting them with smartphone apps to help diagnose illnesses and a distribution system that ensures they always have products to sell at an affordable price, Living Goods demonstrates how complementary services can make a big difference to communities.

In 2014 a randomised study found that Living Goods is reducing under-five mortality by over 25%. The study also showed that drug prices fell 17% at clinics and drug shops near where Living Goods operates, and that the prevalence of fake drugs fell by 50%, suggesting positive competitive pressure.13

### 7. Communication channel

**How you deliver your services/products to supporters and beneficiaries**

Are you using new channels to reach people (e.g. using live video streaming)?

#### Example

**Transforming healthcare in Africa using TV white space**

People in Botswana often have to travel a long way when they need to see a health specialist, as most of the country lives in remote villages.

Instead, Project Kgolagano enables patients to have face-to-face consultations with specialists who are miles away by using TV white space to create a broadband connection.14

TV white space is the unused broadcasting frequency that is generally used to deliver television channels. Project Kgolagano uses that space to create internet broadcasts between remote areas and cities. This emerging technology can operate in communities which are underserved by the electrical grid by using solar power.

The low-cost, high impact innovation started in March 2015 with a pilot in three clinics, focusing on maternal health, cervical cancer and HIV/AIDS. Project Kgolagano has now extended to six other clinics to help improve access to quality healthcare in remote regions.

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13. Ibid.

8. Brand
How you represent your organisation and its products/services
Are you using branding in a novel way (eg to challenge social norms or build a movement)?

Example
Rebrand to encourage women in Bangladesh to have safe abortions
Hundreds of thousands of women in Bangladesh put their health at risk every year by having an unsafe abortion.15

These happen because of a lack of awareness about alternative options, limited understanding about the safety implications, or because women cannot access a safe procedure. Unsafe abortions contribute to high mortality and morbidity rates in the country.

Marie Stopes Bangladesh has rebranded its safe abortion services to try and reach more women. The organisation provides sexual and reproductive healthcare services to around two million people every year.

Its medical abortion pills are now known as “menstrual regulators” to encourage more women to access safe products and services. It is hoped that this new title will make the pills more socially acceptable within culturally conservative communities.

9. Engagement
How you foster meaningful interactions with beneficiaries or supporters
Can your supporters or users participate in your work in a new or better way (eg making loans direct to beneficiaries)?

Example
Empowering people to spot and report pollution
Environmental pollution can lead to serious health problems. This pollution often happens as a result of extractive industries, such as oil, gas and mining.

Without the necessary tools and resources, communities cannot avoid the risk of illness or identify who is accountable.

Source International provides people with technology that they can use to test their own water, air, and soil for contamination – rather than relying on outside experts who may not always be available. It provides free support for communities to help them assess damage and make sure action is taken to resolve it.

To date, the organisation has worked with 15 communities in Latin America. This has led to numerous successes, including changes to mining laws in Honduras and the implementation of clean-up plans in the Peruvian Amazon.

“I’ve realised that innovation is cross-cutting and applied to all areas of work, not just programme design.”

Bond innovation workshop participant after reviewing the innovation type framework

Questions for reflection

• How do these social innovation types help you identify how an initiative is innovative? Which aspects might be more effective than current practice?
• Think about the range of areas in which your NGO is currently, or could be, innovating in. Are you missing opportunities?
• How can you, your colleagues and partners increase the impact of an innovative idea by considering whether simultaneous innovation in additional areas could strengthen it?

How “innovative” is this innovation?

“As a sector I think we tend towards the adaptive, incremental approach to innovation rather than the disruptive and risky approach ... Quite often what are perceived to be innovative ideas are an evolution of something else.”

David Clark, Christian Aid

The majority of NGOs involved in Bond’s research, used “new” ideas and approaches as a key defining characteristic of innovation. But defining “newness” is itself open to challenge. NGOs should take care to define for whom an idea or approach is new:

• The organisation
• The particular context
• The international development “sector”

It is important that you have done your market research to know what others (not just NGOs) working on an issue or in a particular area are already doing. The Bond innovation library can be a useful place to start. Many social innovations develop from ideas or technologies that are “borrowed” from other sectors and then applied to tackle a development problem.

Christian Aid uses a simple two-by-two matrix to situate and assess any initiative that is proposed, using “newness to the organisation” and “newness to the sector” as the axis.

Figure 1: Degree of innovation

Looking at the matrix above, we can see that social innovation ranges from relatively small quality and performance improvements (incremental innovation) to something that is more radical or even disruptive – where the dominant way of doing things may be completely overturned (think how video streaming service Netflix led to the demise of Blockbuster video rental stores).16

It is important to understand the magnitude or degree of innovation that you are aiming for, as the level of risk will vary. We found that the majority of social innovation in NGOs is currently focused on incremental innovation.

How do NGOs get innovative ideas and make them reality?

“Innovation isn’t just a matter of luck, eureka moments or alchemy. Nor is it exclusively the province of brilliant individuals. Innovation can be managed, supported and nurtured. And anyone, if they want, can become part of it.”

The Open Book of Social Innovation

Social innovation is a process, with overlapping but differing stages requiring specific tools and methodologies, skills and culture at each stage. It requires different management approaches to the traditional NGO project delivery model – including allowing for more flexibility, rapid learning and entrepreneurialism to accomplish the end goal.

Questions for reflection

- What is your organisation or team’s level of ambition for your innovation efforts? Do you want to pursue incremental or radical innovation?
- How can you use figures 1 and 2 to assess current initiatives in your NGO’s innovation “portfolio” and have a conversation internally about whether this is the optimal balance for your organisation?
- What research will you need to carry out before claiming an innovation is new to the sector?
The “social innovation spiral”, created by Nesta and the Young Foundation, identifies seven stages to take ideas from inception to widespread adoption.\(^{19}\)

1. Identifying opportunities and challenges – this stage involves diagnosing the problem and framing the right question to address root causes of the problem.

2. Generating ideas – this can involve formal methods, such as design or creativity methods to widen the menu of options available. Many of the methods help to draw in insights and experiences from a wide range of sources.

3. Developing and testing – this is where ideas get tested in practice. This can be done through prototyping, simply trying things out, or through more formal pilots. The process of refining and testing ideas is particularly important in innovation, which places an emphasis on failing fast and learning quickly.

4. Making the case – this stage involves harnessing evidence from early prototypes and pilots to convince internal and external stakeholders that resources and support should be found for implementation on a larger scale.

5. Delivering and implementing – this is where ideas become everyday practice for the organisation. Ideas get sharpened and streamlined, and income streams identified to ensure the financial sustainability of the initiative.

6. Growing and scaling – at this stage there are a range of strategies for growing and spreading an innovation, from organisational growth, licensing and franchising, to federations and looser diffusion. Emulation and inspiration also play a critical role in spreading an idea or practice. Demand matters as much as supply: how market demand, or demand from commissioners and policymakers is mobilised to spread a successful new model.

7. Systemic change – this stage commonly involves changes in the public sector, private sector and household sector, usually over long periods of time and resulting in entirely new ways of thinking and doing. It is here, particularly, that social innovations might come up against the barriers and hostility of an old order.

The process is not always linear, however, nor does innovation always happen in discrete steps. There should be feedback loops at each stage, allowing for continuous iteration and improvement.

We found most NGOs concentrating their innovation efforts on two stages: generating ideas, and delivering and implementing, highlighting significant gaps in skills and resources to support other stages in the innovation process. This is picked up later in part 2 of this briefing.

**Questions for reflection**

- Use the social innovation spiral stages to assess your innovation pipeline. How many innovations do you have at each stage?
- Identify the stages in the process where your organisation is strong at supporting innovation. What resources, skills or partnerships might you need to address weaknesses in others?
- How will you work with local communities to develop existing solutions they may already have, generate new ideas and test early prototypes? Innovation is best done alongside people affected.
- How can you encourage the exchange of new ideas and solutions across your organisation? Often innovation comes from adapting an existing approach to a new context.

“For development organisations to say ‘instead of bringing my own solution, I go out and find existing solutions,’ is a very difficult thing to do because the whole system is ingrained against it. No matter how much everyone talks about mapping local solutions, lead users and positive deviants, it’s happening very rarely. If you ask people what they have and not what they need, you can come up with radically different project designs and arguably more sustainable solutions. Think, for instance, of initiatives like Patient Innovation, the Poverty Stoplight or MalariaBox”

Giulio Quaggiotto, Nesta

“There is an obsession with designing fixed or single solutions you can apply to any context, but this is so rare. I’m interested in what other national societies can learn from others and put in their own context.”

Shaun Hazledine, ICRC

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Part 2: Enabling social innovation in your NGO

What do I need to do to make my NGO more innovative?

“Innovation is no longer a stretch goal, but essential to survival. Thus, the development of a highly productive innovation capability is one of the most important strategic priorities for any organization.”


An NGO’s social innovation capability will have evolved over time, and will be defined by a number of enabling factors.† These include:

- Culture
- Strategy
- Communication
- Process
- Resources
- Measurement
- Capability
- Roles
- Positioning

Although most NGOs will claim to be innovative, innovation in established organisations is notoriously difficult – and it is no different for NGOs. In researching innovation in non-profits, Grant and Crutchfield found that many were either so focused on maintaining existing systems they lacked creativity, or were able to generate ideas but then struggled to implement them.21

“I work a lot with both grassroots and larger non-profits, and it became clear that the majority of NGOs were struggling to keep to date, integrate innovation or simply be aware of emerging technology … Some NGOs do innovation, some do it badly and others don’t do it at all.”

Ken Banks, Founder of kiwanja.net and Entrepreneur in Residence at CARE International

There is currently little learning or evidence about what really enables innovation in NGOs.‡ The research carried out by Bond and SIX is the first significant effort to bring organisations together to share their experience, and to highlight some of the different approaches being employed – as well as gaps in practice.

The following pages provide a summary of the key findings.

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† To assess an organisation’s innovation capability, Bond uses the Inventium framework.


How do we create the right climate for innovation? An effective climate for innovation involves individuals feeling an optimal degree of challenge and autonomy, support for new ideas and innovative behaviour, leaders taking risks to implement progressive ideas, and cross-departmental collaboration.

Challenges and tactics for NGOs

There are a number of organisational cultural barriers that prevent people from innovating in NGOs, including:

- Rigid bureaucratic processes and hierarchy.
- Lack of senior management support.
- Fear (and lack of acceptance) of failure.
- Discomfort with ideas that are outside existing spheres of knowledge/experience.

“The challenges of innovation are a large part cultural. As a sector we are accountable to our funders and to the communities that we serve, and for those two good reasons, we’ve built up quite an infrastructure – checks and balances and behaviours that are there to protect ‘beneficiary communities.’ But these same structures can make it harder for us to innovate and try something new, because we’re not sure how it will work and what impact it will have.”

David Clark, Christian Aid

These are not necessarily easy or fast cultural changes to make, but NGOs who are serious about innovation are increasingly emphasising the importance of:

- Enabling experimentation.
- Protecting innovators and new ideas from the organisational “anti-bodies.”
- Carving out time and space for innovation.
- Helping staff create new connections inside and outside the organisation.
- Valuing organisational “intrapreneurs” – staff with strong entrepreneurial skills.

“I would consider myself an ‘intrapreneur’ – which is the person who can makes things happen, often in spite of the organisation, not because of it.”

Otto Farkas, World Vision International

Examples in practice

**Action Against Hunger**

Saul Guerrero and his team at Action Against Hunger are changing the operations and technical department into a flat, non-hierarchical structure that values skills not just experience. They have changed recruitment practices, eliminated line managers, rigid projects and conventional roles. “It’s like a kitchen where an order comes in,” explains Saul. “This order could come from inside Action Against Hunger or from external clients, and we all look to see who is best placed to work on the order and who has the best ideas.” Although some are struggling to understand how the team, known internally as “the bubble” works, Saul says: “There’s comfort in the chaos and what we’re doing is working as we are already delivering a range of multi-agency, multi-year external projects from people who want to work with us.”

**International Federation of the Red Cross**

The International Federation of the Red Cross (IFRC) has begun piloting randomised coffee trials to overcome the disconnect between staff in large organisations that can stifle creativity and innovation. The randomised coffee trials use a free programme to randomly match staff and volunteers across the world over Skype to informally learn more about different approaches and thinking in the organisation. In the first 10 weeks, over 400 people signed up from over 70 countries. Although hard to measure the impact, the organisation has already seen interesting collaborations. For example, a disaster risk reduction expert in Bangladesh linked to a disaster education officer in Austria and they’ve together now begun to roll out disaster risk reduction to children in schools.

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Enabler of innovation

Strategy

Do we need an innovation strategy? A strong innovation strategy will be aligned to the broader organisational strategy and strike a balance between improving existing products, services and processes through incremental innovation as well as generating more disruptive forms of innovation.

Challenges and tactics for NGOs

Few NGOs have a dedicated innovation strategy at present, or specifically articulate the role of innovation in delivering their corporate strategies. While there is a role for serendipity, NGOs relying solely on luck and random efforts are unlikely to get the best out of their teams.

Those NGOs who have aligned corporate and innovation strategies have found that:

- Connecting innovation to corporate strategy delivery brings clarity of purpose.
- But, aligning innovation too tightly to immediate corporate priorities can lead to a restriction on more radical innovation that might not fit with narrow agendas or short timeframes.

Example in practice

Fairtrade Foundation

The Fairtrade Foundation’s corporate strategy has a commitment to “increase ... investment in innovation, creating a portfolio of new ways of working.”

The innovation strategy focuses on four areas that link with organisation-wide operational aims:

1. Creating bespoke value chain programmes at scale.
2. Creating the architecture for new innovative partnerships.
3. Identifying and developing a pipeline of innovations that can add value to producers and business partners.
4. Increasing capacity within the organisation to identify trends and undertake horizon scanning.

“...it had to be attached to this year’s operating plans even though it is a radical, disruptive innovation – even though it does fantastic things and contributes to systemic change. This is a very short term approach – the organisation isn’t ready for radical innovation.”

NGO innovation lead

23. Fairtrade Foundation, Fairtrade’s ambitious new five-year strategy to change trade and change lives (10 Mar 2016).
Enabler of innovation

Communication

How can we motivate people in my NGO to innovate? Communication within an organisation is an important part of maximising results and growth through innovation. Strong communications and ensuring that everyone is on the same page in regard to your innovation strategy will serve to support innovation efforts by aligning employees on the purpose, direction and value.

Challenges and tactics for NGOs

The challenge of communicating in a large organisation, or across multiple countries and cultures is not new. However, it is exacerbated by a lack of common understanding of innovation within organisations, or across the sector. Few NGOs even have an agreed definition of innovation that they regularly use.

“As a large international federation it was very difficult to get a continuous snapshot of what was happening and what was in the different innovation pipelines. That makes this work extra difficult. Internal newsletters just don’t work.”

NGO innovation lead

Innovation teams in NGOs tend to take two approaches:

- Showcasing innovations to inspire colleagues and encourage uptake of new ideas.
- Positioning themselves at the centre of the organisation, communicating regularly with colleagues to find out what they’re doing, and facilitate connections – although clearly this is much more feasible in smaller NGOs.

“The blog has been the most critical part of us being able to bring more people on board … I sent a blog post that one of our students had written with a video link, and within 40 minutes we had 26 offices contacting him to ask how they could adapt his idea in their own offices.”

Milica Begovic, UNDP

Example in practice

**UNDP**

Milica Begovia at UNDP has a Google Doc that staff working across the region have access to and can add to. At the end of the year the team has a call to identify where innovation has helped UNDP become more ready for change, develop new solutions or gain more profile.
Enabler of innovation

Process

Why do we need a dedicated innovation process? Process is the pathway from identifying challenges to creating change at scale. Having a deliberate, clear and efficient innovation process is a fundamental element of success.

Challenges and tactics for NGOs

Innovation management is a process that requires specific tools, rules and disciplines. It requires a more flexible process than the traditional logframe planning approach favoured by NGOs.

“Innovation is an organic and agile path but development projects with logical frameworks and timelines are too rigid … Some projects I’ve worked on have been far too rigid to allow a pivot somewhere. Incorporating a discovery along the way wouldn’t be possible – it would need to be sold to the donor and their permission sought.”

Ken Banks, Entrepreneur-in-Residence, CARE International

However, only a small number of NGOs have developed dedicated innovation processes or are introducing new innovation techniques, despite their prevalence in other sectors. From our research, it was rare to find organisations that were intent on supporting a comprehensive innovation journey through the entire spiral process from mission to market.

Examples in practice

**World Wildlife Fund**

WWF-X is a new accelerator programme at the World Wildlife Fund that is designed to quickly bring ideas to scale. WWF-X will work with corporate partners to set sector-specific challenges (for example finding more sustainable sources of salmon feed) and then launch a global open innovation challenge to draw out the best ideas from around the world. Experts will mentor the best teams over 18 months, and provide initial financing to get the ideas ready for market. An advance commitment from lead corporate partners to adopt proven new approaches will ensure faster adoption within the sector.

**UNICEF**

UNICEF has launched a $9 million pooled fund that will invest in 60 early-stage start-ups that use open source technology. Projects funded will need to increase the ability of children to access information and increase their opportunity and choice. By adopting a venture capital style approach and emphasizing the importance of failing quickly, the organisation hopes to more quickly scale ideas from mission to markets.

**Oxfam**

By using a stage gate model, Oxfam’s innovation process in fundraising must pass through a series of decision gates. At each stage, only a few innovations proceed. By the end of the process, the innovations that progress have been tried and tested many times. For every 20 that apply, only one or two are fully supported.

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Enabler of innovation

Resources

Do we need to earmark resources for our innovation efforts?
Drive innovation by allocating time, money and people. Resourcing your innovation efforts is vital to the success of an innovation programme.

Challenges and tactics for NGOs

There is a growing recognition that innovation needs sufficient time and resource. Alongside this, there is acknowledgment of the need for dedicated financial resources to support such work. As a result, the allocation of resources to innovation is increasing among NGOs (albeit from a very low base).

The most common way for NGOs to resource innovation is through the creation of a dedicated innovation fund to finance new ideas. While an innovation fund is a good way to allocate money to innovation, some NGOs have found that they fail to generate quality ideas from within the organisation in the absence of building staff capability and a supportive innovation process.

It is also becoming increasingly common for the larger organisations to set up their own innovation labs, “R&D” labs, and teams, employing specialists. These allow individuals to carve out space for innovation and, in some cases, create new cultures that better support innovation.

“Our innovation team is virtual as we did not want to institutionalise it in a building. We keep it slim and small which forces collaboration rather than competition – we’re forced to work with others because we don’t have the structure to do things ourselves. But we keep in touch with each other virtually and twice a year we meet. We also have monthly phone calls and a newsletter so we all know what’s going on.”

Sharad Sapra, UNICEF

“It is easy for organisations to get stuck on a treadmill of delivery with little space for reflection and no time to explore new connections and possibilities that might have a much greater impact on people’s lives. The challenges of the moment are often given priority both in terms of time and financial resources. It’s a situation in which there is virtually no investment of time, energy or money in the future, because the present can’t spare the change.”

James Whitehead, Oxfam

Examples in practice

Sightsavers
In 2011 Sightsavers created a £1m innovation fund to crowdfund new ideas to challenges they faced in their work. In the first year the fund was only available to Sightsavers offices, but they opened the fund externally in the second year “to broaden the pool of ideas.” Amy Clark, head of institutional funding at Sightsavers said: “It was a great way to get new ideas, but managing the applications became overwhelming.” The fund only lasted for two years, but the ideas, research and partnerships continued into Sightsavers work. Instead of hosting more innovation funds, the organisation is now streamlining innovation into their projects and has implemented learning from the approval process into their work when looking for new projects.

World Vision
After the earthquake in Nepal, World Vision created a Nepal innovation lab to co-create solutions with the local community.24

Bond Health Check Big Picture 2016
The recent Bond Health Check Big Picture 2016 report found that organisations with largely unrestricted funding score better on innovation than organisations with mixed funding. This may reflect demands within restricted funding grants to produce predictable results, and therefore steer away from the risk inherent in innovation.25

Measurement

How do we know if our innovation efforts are paying off? Quantify your innovation efforts. Measurement is a very important part of achieving best practice innovation. Without measuring key elements, it becomes almost impossible to know what you need to change in order to improve your innovation results.

**Challenges and tactics for NGOs**

Measuring and quantifying your innovation efforts means being able to measure the impact of an innovation on the development problem it is trying to solve, and being able to measure the effectiveness of your NGO’s efforts to encourage innovation.

For example, you should think about how you will:

- Generate fast feedback from users to help you optimise the impact of your prototype or pilot quickly.
- Measure the impact of your innovation (and how this compares to current practice or alternative solutions).
- Understand the effectiveness of pursuing different processes to enable innovation (e.g., an innovation fund vs. providing staff training).
- Measure against the desired results for your NGO’s innovation efforts (e.g., increased number of new ideas, improved quality of ideas, swifter implementation of new ideas).

**Examples in practice**

**Christian Aid**

A fund managed by Christian Aid, *In Their Lifetime*, has significantly reduced the amount of formal written reporting requirements and requires instead a higher level of “problem focussed” spoken conversations over the course of the project delivery. This is intended to empower those closest to the problem to spend their time reflecting on how their work is impacting on the problem itself rather than writing and justifying their intervention “up the chain.” David Clark says: “Early indications suggest that this is identifying problems earlier and giving more space to remedy them than would have happened with written reports. It’s conversations that change the world, not ‘tracked changes’ in the margins of a report!”

**On Our Radar**

On Our Radar has introduced a “failure blog” to capture and share learning about what hasn’t worked and why.27

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Enabler of innovation

Capability

Do we need to develop innovation skills in our staff? Developing innovation skills at the employee level is critical, because it is people who can generate and implement great ideas.

Challenges and tactics for NGOs

Innovation is a discipline and set of competencies that should be recognised and actively developed – yet little effort is currently paid to growing NGO staff skills in this area.

“There was no resource to go to get support, links, information or a model, or advice on previous innovations.”

Ken Banks, Entrepreneur in Residence at CARE International

A survey by Devex found that 54% of development professionals believed that in 10 years’ time, NGO staff should be highly innovative. Associated skills in areas such as human-centered design, market-based approaches, crowdsourcing and gamification were also rated highly important for future proficiency.  

Oxfam’s research identified five types of people necessary for successful innovation in NGOs:

1. Dynamic Drivers – creative types who go “beyond the call of duty” to turn an initiative into reality.
2. Fearless Champions – create space, broker resources and networks, and ensure strategic alignment.
4. Motivated Team Members – open to new things and work collaboratively, bringing creativity, ideas and advice.
5. Enlightened Senior Leaders – commit to new initiatives and help loosen organisational bottlenecks.

A small number of NGOs are beginning to invest in developing innovation competencies using a variety of approaches, including immersive accelerator programmes and labs (Oxfam, BRAC), a focus on recruiting staff with diverse backgrounds and skillsets (On Our Radar, Teach a Man to Fish), and the employment of “entrepreneurs in residence” (CARE).

Examples in practice

**Oxfam**

Rather than spending money on an innovation fund to support numerous pilots, Oxfam decided to invest in their human capital. Working with Nesta and their Asia office, they developed an accelerator programme, providing crucial time, space and training that staff need to lead in innovation. This intensive process was well received by participants, one of whom said: “The whole programme taught us how to think differently and how to directly integrate innovative concepts into development projects.”

**BRAC**

BRAC’s social innovation lab created an internal innovation fund for mobile money and any staff member could submit an idea. One of the winning pilots came from a floor assistant, and pilots ranged from digitalising staff lunch stipends, to payments to victims of Rana Plaza. Tanjilut Tasnuba, deputy manager at the lab, said: “By developing internal pilots, we were able to understand key challenges throughout the organisation and better prepare ourselves to adopt mobile money at scale. And by crowdsourcing ideas we also created a sense of ownership internally.”

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Enabler of innovation

Roles

Can we mainstream innovation or do we need dedicated roles? To be an innovative organisation, innovation must be integrated into employees’ roles to ensure that it is successfully driving both intrinsic and extrinsic motivation at an individual level. This could include providing employees with recognition for innovative behaviour, specifying innovation as part of job descriptions, measuring performance against this indicator.

Challenges and tactics for NGOs

“Some organisations have created innovation officer posts, but the problem is that they tend to disappear off the radar because they are so focused internally.”
Paul Currion, Start network

Many NGOs are currently struggling with the perennial question of whether to mainstream or create specialised innovation roles and resources – a dilemma not unique in development practice. At present, we see a split between those who are trying to embed innovation within existing roles, structures and activities, and NGOs who are fostering innovation through creating dedicated and protected spaces. This is reflected in the different ways innovation is incorporated into roles:

• A dedicated innovation lead or team is themselves directly responsible for delivering innovative new ideas and approaches for the organisation.

• A dedicated innovation lead or team is responsible for encouraging and supporting innovation from others across the organisation.

• For smaller organisations particularly, all staff are expected to contribute to the development of innovative ideas and approaches.

Specialist innovation roles, while still relatively rare, have become more common in recent years (particularly in larger NGOs). However, there is also a worrying trend for innovation to be added on top of existing role descriptions or titles, without adequate training, support and guidance being provided.

“I was given a huge remit to transform a massive organisation and our country offices, but with little power or the right skills to enact any real change. It felt like I was getting nowhere and I quickly quit the post after six months.”
NGO innovation officer

Examples in practice

CARE International
“CARE has been honest about its gaps in knowledge, recognised the need for an internal resource to fill those gaps, and recognised the increasing importance of innovation for development,” says Ken Banks, the organisation’s entrepreneur in residence and creator of FrontlineSMS. As part of his role, Ken is working at CARE for two days a week over the course of a year. “I have effectively embedded myself in the organisation as a drop-in innovation resource,” he explains. He has a particular focus on helping staff who are interested in using technology in new ways. He holds informal coffees and hosts “brown bag” lunches with the goal of spreading new ideas, and building new thinking and ways of working into daily work … so that it becomes an intrinsic part of process and not a later add-on.”

Fairtrade Foundation
As innovation manager at the Fairtrade Foundation, Dan Morey describes his role as being “at the conceptual stage, where we come up with ideas that respond to challenges.” His remit is to manage the innovation process and create the challenge statement. He explores ideas and produces business models, before taking projects to the pilot stage.
Enabler of innovation

Positioning

What can we do to be seen as a thought leader on innovation?

Positioning refers to how effectively you have positioned your organisation and your people as leaders of innovation within your industry and to the wider community.

Challenges and tactics for NGOs

Although there are emerging examples of innovative approaches and sector-leading practice, there was no agreement among the people we spoke to on which NGOs are considered to be innovation thought leaders.

An increasing number of NGOs are, however, documenting and sharing their own (and others’) experiences of innovation as a way to establish their credentials and build greater recognition in this area. For example:

- WaterAid regularly publish articles on their blog which showcase their innovation efforts.31
- In 2015 ActionAid UK published Insights on Innovation, a series of essays on innovation.32

A few NGOs are also beginning to explicitly identify the unique positioning and contribution they want to make to the broader social innovation field. For example:

- WWF and Fairtrade Foundation are positioning themselves as thought leaders on innovation for sustainable supply chains
- UNICEF is positioning itself as a finder, investor and enabler of tech-for-development solutions in the child rights area.

“Developing something ourselves is the last resort ... We look for something outside that is already being worked on but never went to evidence or scale stage, and we invest there to create the evidence ... We are not a technology company, we are about children.”

Sharad Sapra, UNICEF

Example in practice

**Greenpeace**

The Greenpeace Mobilisation Lab describes itself as “an open, collaborative hub among networks – inside and outside of Greenpeace – to find, test, and push the envelope on the use of technology in campaigns.”33

Through a dedicated website and e-newsletter, the lab shares lessons and insights from Greenpeace’s own activists and allies around the world. In doing so, it has effectively positioned Greenpeace at the cutting edge of campaigning innovation.

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Continuing your innovation journey

Organisations that want to innovate require strategic intent, dedicated leadership and a reconfiguring of organisational resources to achieving this. The cultures of organisations that will thrive in the coming decade will be different to those that thrived in the last decade because the rate of change is increasing. They will be highly collaborative across disciplines, flatter, highly connected, open to experimentation and learning, open to considered risk-taking, very outward facing and able to co-create value with other organisations.

This issue briefing provides an insight into the current social innovation culture, capacity and practice among Bond members. We hope it is a useful starting point as you consider how to expand your innovation efforts.

Next steps

Check out the resources on the futures and innovation hub
The Bond futures and innovation hub contains a constantly updated selection of the best resources from all over the world to help you with your innovation efforts. It also hosts a wide selection of innovation case studies from around the sector. Visit: bond.org.uk/futures

Join the Futures and Innovation Group
The Bond Futures and Innovation Group is open to all Bond members, and is a great place for sharing challenges and strategies for success, and accessing insight from the wider innovation sector. You can sign up to the group on My Bond. Visit: my.bond.org.uk/group/futures-innovation

Contact the innovation team at Bond
We’d love to hear what you’re doing, and talk about how we can support you; find out how you can sign up for an innovation audit, which will help you properly assess your NGO’s areas of strengths and weaknesses in these nine areas. Contact: devfutures@bond.org.uk