Trends in cross-sector partnering for INGOs

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About the research

This research was carried out by The Partnering Initiative (TPI) and Bond, to better understand emerging trends in cross-sector and multi-stakeholder partnering, the ways that different types of organisation are responding, and the kinds of support needed to successfully adapt to or influence these changes.

The research took place at the end of 2019 (prior to the outbreak of Covid-19) and comprised four elements:

- Initial scoping interviews with a small group of key people, and consultation with members of the Bond Partnership Approaches Group.
- Partnership-focused questions in the Bond Annual Insights survey 2019.
- Desk-based research.
- Interviews with 24 individuals from a range of organisations, many of them Bond members, including INGOs, NGOs (large and small), academia, the private sector, donors, and UN agencies.

About Bond

Bond is the UK network for organisations working in international development. We unite and support a diverse network of over 450 civil society organisations and allies to help eradicate global poverty, inequality and injustice. We also deliver a range of services to help organisations be more effective and improve the quality and impact of their work.

About The Partnering Initiative (TPI)

An internationally-recognised pioneer of the field, TPI is an international NGO dedicated to unleashing the power of partnership for a sustainable future. TPI combines cutting-edge partnering theory, policy interventions and direct action globally to support and build the capacity of organisations, partnerships and platforms to deliver effective, value-creating collaboration.

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Executive summary

Major shifts are taking place in the context within which development and humanitarian partnerships operate. This brief study, based on survey questions and interviews with a range of humanitarian and development actors, looks at the key trends which are currently influencing partnerships, and the ways in which INGOs and NGOs are responding to these changes.

Localisation has become a major trend, as donors move towards more national-level funding. It aims to support financial and programme management capacity in-country: shifting power and decision-making closer to the areas of need, making interventions more efficient, and mitigating the top-down model. However, putting this aim into practice is challenging when combined with increasing donor compliance requirements. For some INGOs, localisation is a challenge to their 'business model' and hence survival: with a focus on strengthening local organisations, their role becomes increasingly marginal.

Interviewees described how a number of bigger INGOs are adapting by re-positioning their national offices as national organisations, as explored in more detail in the 'Localisation' section below. As a result, the role of many INGO UK-based offices is changing, as programme activities and management move to regional or country offices.

NGOs and INGOs are subject to **increasingly stringent regulatory frameworks** for financial management, reporting and safeguarding, and in turn are passing these downstream. This can make it difficult to work with small local partners, who may lack the capacity to comply. Some INGOs and NGOs which had already been working with local organisations are having to work instead with larger ones, which can meet the requirements.

If compliance requirements stay as they are, they are likely to undermine the localisation drive – either by so changing local organisations that their original identity and purpose is lost, or by ensuring that only large organisations are able to partner.

NGOs are increasingly under pressure from governments and non-state actors, who have introduced laws and regulations which make it harder for NGOs to operate, and used physical threats to silence and intimidate NGO staff.[1] Many of these measures seek to make it harder for NGOs to partner with international and bilateral institutions, with at least 60 countries adopting laws that specifically restrict access to foreign funding.[2] These pressures differ in form and intensity across regions and are present in high as well as middle and low-income countries. Often it is those who challenge vested interests, such as governance, human rights, or environment organisations, or those who work with marginalised groups, such as minority ethnic and religious communities, migrants and refugees, or LGBTQ+ people who are most at risk.

Consortia and multilateral approaches to partnering are becoming more prevalent, as the complexity and level of challenge of the UN Sustainable Development Goals (SDGs) necessitate new and larger alliances, and the formal consortium model is pushed by donors. Well-managed, multi-sector working has the potential to tackle tough challenges, bringing together complementary knowledge, skills and resources, or it can result in more of the same – but with longer lead times and higher transaction costs. Some organisations are responding by moving towards a more strategic approach of long-term alliances with common interests, which are ready to form partnerships as appropriate.

Reductions in funding coupled with increasing needs are leading to more competition between NGOs, making traditional partnerships more difficult. Trusts and foundations are becoming increasingly involved in direct funding. This is driving a focus on efficiency and value-for-money, as INGOs have to defend their role. It seems likely that the development partnership field will become increasingly complex and diverse, in terms of actors, roles, partnerships and funding routes, as the traditional top-down partnership model is challenged by a proliferation of different models, alliances, and ways of working.

The role of the private sector as a partner is changing, as its potential to leverage change is recognised. Corporates are increasingly bringing expertise, not just their money, into partnerships. Business can bring innovative approaches and a new perspective, as well as funding, while links to the market offer a higher chance of change becoming mainstreamed. Where interests are aligned, engaging the private sector brings huge opportunities, but there are also risks of facilitating corporate interests which conflict with the interests of communities.

Introduction and context

Major shifts are taking place in the context (or ecosystem) within which development and humanitarian partnerships operate. The imperative to tackle the SDGs, to work far more holistically across boundaries in areas such as environment and development, to address inequalities of power, and to effect system transformation, necessitates a huge push towards collaborating in new ways and with new partners.

Many of the most complex and intransigent challenges that the world is currently facing cannot be resolved without the cooperation and collaboration of many different stakeholders, from governments and UN agencies, through to NGOs, businesses, and communities. This push towards multi-stakeholder collaboration frames much of the current partnering picture. At the same time, in many areas, grassroots initiatives and informal partnerships are being formed to address pressing issues – whether local or global – challenging existing power structures and finding new ways to work together for change in a more fluid and flexible way.

While collaboration can take many forms, this report focuses on partnerships, which can be defined as:

An ongoing working relationship between organisations: aligning their interests, sharing risk and combining their resources and competencies, to maximise the achievement of agreed partnership objectives, while delivering net value to each individual partner.[3]

The main focus of the research is on the trends affecting non-governmental organisations – from large INGOs through to small, single-issue INGOs, and with a particular emphasis on those with offices in the UK (as this is Bond's main constituency). However, to ensure a rounded picture, the research included conversations with individuals from a range of organisations – including donors, academic institutions, networks, training organisations, businesses, and UN agencies – as well as from a range of geographies. The intended audience for the report is also primarily INGOs and NGOs, but we hope that it will also be of interest and use to a similar range of organisations.

This report explores:

- Key trends identified by the research respondents.
- How their organisations are responding to these trends.
- Illustrative comments from interviewees.
- Indications of the support organisations are looking for to help them collaborate successfully in the new partnering environment.

Notes:

This is a report on partnering trends and how organisations are responding – as perceived by the cross-section of partnering organisations interviewed – backed up by a light-touch document survey. It does not set out to be an in-depth analysis of each or any of the individual trends.

Sometimes the way that individuals, organisations and partnerships experience things may not fully align with Bond or TPI's perspective, or indeed with donors' intentions. Some of the points set out here therefore reflect the views of the research participants, rather than of TPI or Bond.

The Covid-19 crisis began after the end of the participant research stage of this process, and is therefore not reflected in respondents' comments or their analysis of partnering trends. It is likely to have a huge impact on partnering, both in terms of new and innovative collaborations – whether at community or international level – and in terms of the viability of some existing partnerships whose ways of operating are no longer fit for purpose. However, this crisis and the responses to it are still very much in progress at the time of writing, so the final outcomes and the ways in which these interact with the trends set out below, will have to be the subject of future research.

Partnering trends and impacts:
1. Localisation

The trend: Following the Grand Bargain localisation commitment[4] in 2016, when donors and aid organisations pledged to provide 25% of global humanitarian funding to local and national responders by 2020, localisation has become a major trend across both the humanitarian and development sectors.

Drivers: Major donors have been doing more to provide funds directly in-country. Alongside this, there is a push from national organisations and community groups to ensure that their voices are heard, and that they have direct involvement in decision-making and implementation. Most INGOs are also recognising the need to devolve power, money and decision-making closer to where the need is, and give a greater say to those who are most in touch with communities.

What does this mean for NGOs and INGOs?

Localisation aims to directly support financial and programme management capacity in-country, shifting power and decision-making closer to the areas of need, making interventions more efficient and mitigating the traditional top-down model. Many smaller in-country organisations have better knowledge of local contexts in which programmes are implemented, which in turn can support better programming – when combined with the international knowledge and experience of INGOs. Hence, for INGOs the question is how to build on this knowledge and expertise.

"If we want to shift power dynamics, how do we do that, what does that look like?" [International partnership]

However, putting this aim into practice is proving challenging for many, when combined with increasing donor compliance requirements. Also, for some INGOs localisation can be perceived as a challenge to their own survival. If the focus is on strengthening local organisations, their own role becomes increasingly marginal.

Intended and unintended consequences

Inevitably, when changes are made to the way that donor funds are targeted, organisations will adapt, but not always in the way that was anticipated. For example:

"A lot of organisations, even if they implement directly, are saying: let's partner with local organisations to get the money!" [Small NGO]

It is clear, both from the research interviews and from other studies,[5] that many bigger INGOs are adapting to this and other trends by re-positioning their national offices as national organisations. As one interviewee explained:

"We can't drastically change our implementation model to fit in with the localisation agenda. So our model is that the local partners are our own country offices, which are locally registered." [Faith-based INGO]

This has resulted in push-back from some quarters:

"It is an attempt to circumvent the drive to genuine localisation. Part of the argument was about civil society feeling more confident to be at the table and take up space, but the move to nationalise INGO offices is still dominating the space." [Humanitarian INGO]

However, this is not simply about INGOs trying to 'cheat the system' – it is more nuanced than that, as some have had devolved local offices with predominantly national staff for a long time before the localisation push began.

As a result of this trend, the role of many INGO UK-based offices is changing. For some, head office is taking more of a facilitative and technical role, while programme activities and management are being devolved to regional or country offices.

"As things are moving overseas, there'll be a shift for UK NGOs to much more of a fundraising and technical role. The programming piece will be done increasingly in country. They will set up regional offices for capacity building, rather than in the UK." [Small NGO]

Despite the good intentions of devolving decision-making and action to local level, there is a risk of further unintended consequences as the drive to localisation can result in donor-driven short-term priorities undermining more sustainable community-based initiatives. There is also increasing recognition that the large project subcontracting model can undermine the long-term financial viability of local organisations, who become donor dependent. Capacity development and capacity building, which many INGOs are focusing on, helps local organisations to align with Western donor requirements, but may not build on their own country-specific expertise (which was the motivation for engaging them in the first place) or leave them flexible enough to operate in other frameworks than the one that is being imposed on them.

Possible future scenarios

DFID and other stakeholders see this trend towards localisation continuing to get stronger. How this plays out will depend on the way the humanitarian and development sectors respond and adapt, and their willingness to be flexible and open to change:

"It will take figuring out together what decolonising and re-imagining our sector could actually look like. And being willing to ask, from wherever we currently are in the system of aid, if there is a role for us in this future we are imagining and if so, what does it look like, what would we be doing in it and how will we get to it."[6]

What support is needed?

Interviews carried out as part of this research show that localisation must play a key part in partnership support going forward. Needs identified by interviewees include:

- Building an understanding of how to work co-creatively with local organisations in a real partnership.

- Building capacity for direct fundraising and decision-making on the ground, balanced with accountability to international donors – and how to help local partnerships thrive in this complexity.

- Facilitation of shared partnership learning and knowledge management, in UK and international offices, both within and between sectors, and between Bond members and their partners.

- Thought leadership across the many and varied collaboration opportunities and challenges.

- An advocacy focal point: a convener of the voices of the sector, to speak to donors and to governments and ensure that difficult conversations happen, and that conflicting voices are heard. This is particularly key for smaller organisations who often feel they are not heard over the louder voices of the usual suspects.

- Partnership training, resources and guidance at country level to support the localisation of the programme and partnership management. Provision through digital technology could help not only those who need support from a distance, but also smaller UK-based NGOs with limited travel budgets.

2. Increasing compliance requirements

The trend: NGOs and INGOs are subject to increasingly stringent regulatory frameworks, governing financial management, reporting and safeguarding, and in turn are under pressure to demonstrate that partners are compliant. This is happening alongside the drive to localisation, making it more complex and challenging and, in some cases, leading to unintended consequences.

Drivers: These changes are being imposed not only by institutional donors, but also by regulators such as the Charity Commission, and trusts and foundations. They are also expected by society and – in principle at least – supported by most INGOs who realise the importance of transparency and accountability.

What does this mean for NGOs and INGOs?

The increasingly stringent requirements are intended to support transparency, accountability and safer programming, and help to restore an atmosphere of trust.

"We are forced to design projects better, which is good, and it's made us work harder and smarter." [INGO]

A remaining challenge, however, is the obligation to pass on the requirements to downstream partners. This can make it increasingly difficult to work with small local and grassroots partners – who may not have the capacity to comply. Donors such as DFID – who have been spearheading a major push on due diligence, accountability and safeguarding – set out the requirements and provide guidance, but are not able to offer the practical support that NGOs are asking for.

While many local organisations already have their own financial, reporting and other policies, frequently these do not align with donor specifications. In order to partner with them, larger INGOs are struggling to support them as they build their capacity to comply, and are conscious of the risk of undermining their partners' self-reliance in the process.

Intended and unintended consequences

There is a risk of seeing compliance and policy requirements as a tick-box exercise, something that must be done in order to get funding or to enter into a partnership. This may take the focus away from having policies and processes that support programmes and better implementation. This is a challenge both for INGOs and country-based NGOs. However, the main frustration expressed by interviewees regarding the compliance requirements was in relation to localisation. Where some INGOs and NGOs had already been working extensively with local organisations – completely separately to the localisation push – they are now having to pull back and work instead with larger organisations who can meet the requirements:

"It is forcing us to work with different partners, and not at grassroots and community level as it's impossible for them to deliver the processes and practice that are now required. We tried to work with them to upskill, but then 90% was becoming focused on capacity development and only 10% on actually delivering." [INGO]

Where INGOs are helping local organisations to build their capacity to comply with donor requirements, this is having three main unintended consequences. Firstly, by pushing most of the risk down to the level least able to deal with it, it is strengthening rather than mitigating the top-down power structure. Secondly, supporting local partners to meet the needs of Western donors risks changing their character and aims, as well as leaving them dependent on these donors and no longer able to be independent or to seek funding elsewhere. Thirdly, some smaller organisations, which could be best placed to deliver programmes, will not be able to meet stringent requirements and so will not be able to join partnerships:

"Despite the Grand Bargain, it is probably harder to partner than ever as a national NGO." [Academic institution]

Another consequence is the way that some NGOs are responding by seeking funding from trusts and foundations, whose compliance requirements are often less stringent. This is explored further in section 5.

Possible future scenarios

If compliance requirements stay as they are, they will undermine and subvert the drive to localisation, either by so transforming local organisations that they lose their original identity and purpose, or by ensuring that only larger organisations with existing capacity are able to partner. It is unlikely (and probably undesirable) that compliance requirements will be rolled back, but they could be adapted, and timescales could be increased to enable organisations to comply. Perhaps a more sensitive and fit-for-purpose regulatory framework could be developed, in consultation with key stakeholders at international, national, and local level. A framework that recognises the absolute requirements, but tailors these to the capacity of the actors at each level, and ensures that risk is fairly distributed, with support offered where it is needed. USAID is already being pressured to develop less stringent compliance requirements for local partners, and other donors could follow suit. There are also examples of due diligence platforms which intend to simplify the process, such as the Global Grants Community, the START network, and Tech Soup's due diligence programme, but these would be more effective if there was one unified approach rather than unconnected initiatives.

What support is needed?

Research respondents recognised both the challenges and the benefits of increased due diligence and safeguarding requirements, and are looking for the following support and guidance.

- Both UK and international offices require training specifically aimed at how to comply with donor requirements, how to build the capacity of their local offices and partners, and how to balance fulfilling these requirements with ensuring that local partners remain sustainable and not dependent on the capacity development activities and support of their larger partners.

- Many Bond members are asking for guidance on how to use the knowledge and expertise which exists within their partner organisations and how to build on this, or how to develop processes together with their partners, in order to ensure they are locally relevant and appropriate.

- Training resources, tools and guidance are needed in digital form, and in a range of languages, to ensure they reach the relevant audience.

- Facilitation of open and equitable conversation between INGO and civil society partners, and the donors driving these changes, to explore how to balance more stringent requirements with the push to localisation.

3. Increasing risks and pressures on NGOs

The trend: NGOs are facing increased operational and security risks and are under pressures from governments and non-state actors, who have introduced laws and regulations which make it harder for NGOs to operate, used smear campaigns to undermine their support and influence, and used physical threats to silence and intimidate NGO staff.[7] Many of these measures seek to make it harder for NGOs to partner with international and bilateral institutions, with at least 60 countries adopting laws that specifically restrict access to foreign funding.[8] These pressures differ in form and intensity across regions and are present in high as well as middle and low-income countries.

Drivers: Often it is those who challenge vested interests, such as governance, human rights, or environment organisations,[9] or those who work with marginalised groups, such as minority ethnic and religious communities, migrants and refugees, or LGBTQ+ people[10] who are most at risk. The pressures faced by these NGOs often go hand in hand with other pressures on civic space, such as wider restrictions on freedom of expression. They should also be viewed within a wider socio-political context characterised by increasing polarisation, inequality, authoritarianism and sometimes violence. The rise of populism, which is anti-elite and anti-pluralism, is also a factor.[11]

What does this mean for NGOs and INGOs?

There are different levels of challenge to effective partnering and collaboration: the physical and logistical challenge of operating in a country when INGOs are being pushed out; the reluctance of local organisations to partner in contexts where they themselves are under threat; and the physical risk to small partners if they engage with proscribed causes. Even advocating on behalf of local organisations who cannot advocate for themselves can exacerbate risks.

Conversations with research interviewees made it clear that they are experiencing the suppression of civil society – and its impact on partnership – differently in different country contexts. Over the last 15 years, 12 countries in Africa have introduced legislation or policies that restrict the operation of NGOs.[12] In Uganda, for example, the registration process has become unnecessarily bureaucratic, NGOs face burdensome reporting requirements, and the state has broad powers to dissolve organisations deemed to act in conflict with its interests.[13] In Egypt, the government has introduced legislation which requires any participation by a foreign NGO in the activities of a national NGO to be approved by the government. It has also attempted to prosecute NGO staff on terrorism charges, making local partners nervous about the risks of engaging and prompting several INGOs to leave the country.

However, in Ethiopia, the government has recently passed a new law which, although it continues to place limits on the activities of INGOs, represents a vast improvement on its predecessor.

Intended and unintended consequences

In many countries, not only have INGOs been forced out, but local NGOs are finding it increasingly difficult to operate.

"At the conference, we heard specific examples of offices being raided [in many countries], staff being imprisoned, more use of SLAPs (strategic lawsuits against participation) and CSO (civil society organisation) staff being arrested."[14]

Where INGOs are able to operate, it may still be difficult to partner with local, issue-based NGOs if their focus does not align with government restrictions – for example those supporting LGBT+ or women's rights:

"With our local partners there are different levels of willingness to engage, partly because of the physical risk." [Faith-based INGO]

However, in some areas, the gap left by governments clamping down on INGOs and larger NGOs, is creating space and an imperative for smaller, issue-based grassroots organisations to move into the gaps:

"In legal and regulatory terms the space is shrinking in Russia and Central Asia; NGOs are under threat and under pressure. But responsibility is then having to be taken up by smaller organisations... in Pakistan, a load of INGOs have been kicked out, NGOs working on legal rights or access to justice are being squeezed, but... rural support programme networks, national networks of village associations and informal civil society groups are really strong." [International development agency]

What support is needed?

In the face of increasing political and economic pressure on the NGO sector, many Bond members face the difficult task of reassessing their partnering landscape and practices. They are looking for:

- Information on changing situations, to ensure they can continue to deliver their objectives and protect the safety and well-being of their staff and their partners.
- A space for NGOs and other organisations to bring top level, innovative thinking to bear on the real-world implications for partnering, as well as possible solutions, and to explore ways to collectively support civil society in areas in which it is threatened.
- While some countries are seeing a proliferation of smaller grassroots organisations, increasing due diligence and safeguarding requirements from donors means it is not always practical, or indeed possible, to partner with them. This clearly links to broader discussions on localisation, due diligence and safeguarding.

4. Consortia and multi-stakeholder approaches to partnering

The trend: Large multi-stakeholder partnerships and networks are cited as the second most common type of entity for Bond members to partner with, as Figure 1 (see below) shows. Alongside this, working in consortia is a growing trend, particularly in the humanitarian sector. Increasingly, organisations are partnering one-to-many, across different sectors, instead of one-to-one.

Drivers: The increasing complexity of the issues that organisations are trying to address, as well as the level of challenge of the SDGs, are necessitating new and more diverse alliances that move beyond the usual networks of collaboration. The formal consortium model is being pushed by donors such as DFID, USAID and the Dutch Development Corporation. It reduces the risk for the donor as the consortium lead takes the risk for the consortium. It is also often a preferred approach for business.

What does this mean for NGOs and INGOs?

These drivers are leading organisations to break down silos and partner outside their comfort zone, allowing for greater opportunities for innovation. Well-managed, multi-sector working has the potential to tackle hitherto intractable challenges, bringing together complementary knowledge, skills and resources in a holistic approach.

"Most of the trends are positive, with a lot more openness to working together, and a realisation that competition isn't the way forward; more trust and openness and using strengths to work together." [NGO]

However, multi-stakeholder partnerships have high transactions costs and tend to take a long time to set up. Finding the right balance between the inputs and the value they create can be challenging, while high-level multi-stakeholder partnerships risk becoming 'talking shops', which absorb resources while showing little evidence of impact on the ground. Formal consortia are seen as mainly donor-driven, often bringing together partners who are only collaborating in order to get funding:

"The idea of grabbing a group of partners to bid for something isn't a long-term recipe for success!" [Academic institution]

How the trend towards larger multi-stakeholder alliances plays out, largely depends on the response of the organisations involved. It can bring together unusual, creative alliances, where organisations cease just to work with others like themselves, and instead bring in partners who are outside of the usual suspects, including academia, the media, the private sector, INGOs, and NGOs of all shapes and sizes. Or it can result in more of the same – but with longer lead times and higher transaction costs.

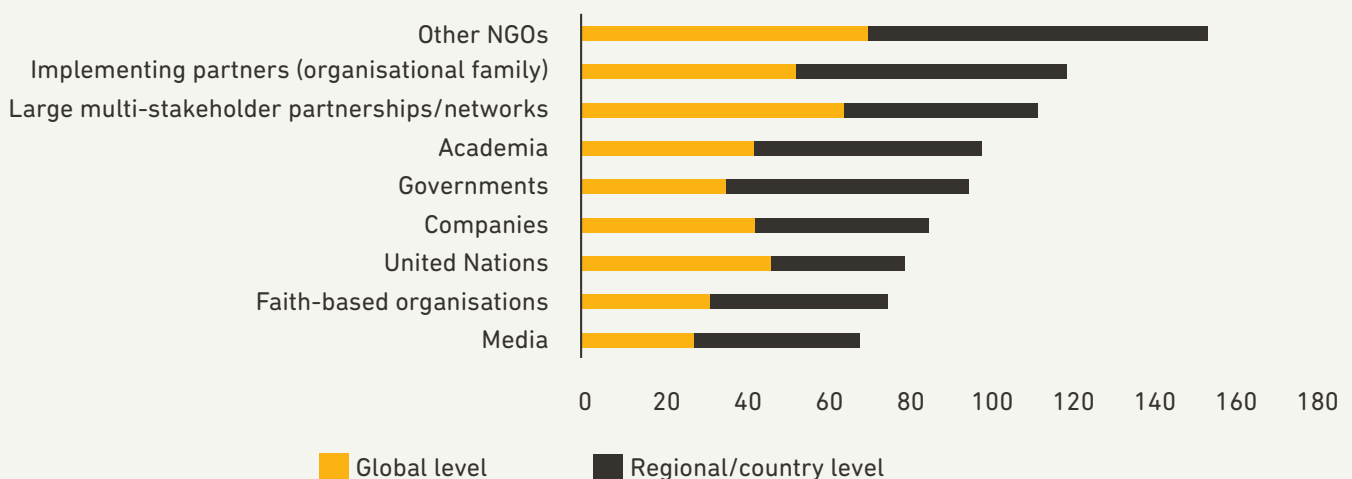## Types of organisations Bond members partner with

Figure 1: Bond Annual Insights survey 2019: global and regional partnerships

Intended and unintended consequences

Some organisations are responding to the need to partner with a variety of actors by moving towards a more strategic approach of long-term alliances. These alliances will have a strongly aligned strategic interest, or 'polar star', and partnerships will form within them as appropriate. They can either reinforce or break down existing power structures and business as usual, depending on their openness to include partners outside of the norm.

"You need to build stronger deeper relationships with a range of partners you wouldn't have worked with before, when you thought you could do it yourself or just with one partner. And generally it's a good thing – you do get a lot more innovation working this way." [Donor]

Possible future scenarios

Multi-stakeholder partnerships, alliances and collaborations are a growing response to complex, intractable humanitarian and development issues. As long as partners can see genuine value and impacts on the ground – or in terms of amplifying advocacy – this trend looks likely to continue. Whether the same applies to formal consortia remains to be seen. Although the move towards working in consortia started around 10 years ago, it is still relatively small-scale, and driven mainly by a few major donors. There are high transaction costs, both to the donors and to the lead organisations, with a need to balance resources for servicing, and supporting consortia members to work well together, with the imperative to deliver agreed programmes effectively and efficiently to scale.

What support is needed:

- Small NGOs are looking for guidance on how to achieve participation in multi-stakeholder partnerships, and recognition of their expertise, when the default tends to be to invite larger, known names.

- Organisations both large and small have asked for help in identifying partnership opportunities.

- Tools and guidance are needed on how to ensure collaborations are maximising value for all concerned.

- A collective voice is needed to engage with donors to ensure multi-stakeholder partnerships and consortia are created to optimise value and effectiveness, rather than becoming talking shops or box-ticking exercises.

- Improved partnership opportunity databases and matchmaking activities, to help organisations find the best partners.

- Guidance on how to become a 'partner of choice', in order to maximise collaboration opportunities.

5. Changing funding mechanisms, and the role of NGOs

The trend: Across the sector, the reduction of funding – particularly unrestricted funding – coupled with increasing needs and a proliferation of actors in the development space, are leading to more competition among NGOs, making traditional partnering more difficult. Alongside this, trusts and foundations are becoming increasingly involved in direct funding, in ways that challenge existing models and alliances.

Drivers: Institutional donors are increasingly dictating how money should be spent, rather than offering unrestricted core funding. The level of regular donations by individuals to charities is dropping, as people prefer to take part in fundraising activities for specific causes or give directly to a particular fundraising drive. At the same time, need is increasing, and development actors are multiplying – both in number and type.

What does this mean for NGOs and INGOs?

This shake-up to the status quo is necessitating a focus on efficiency and value-for-money, and it can catalyse new, innovative ways of working and collaborating.

For INGOs there is increasing pressure to do more with less – to meet the ever-growing humanitarian, development and environmental challenges with diminishing core funding and higher donor demands.

"Funding is now more and more structured, and donors decide how we should spend the money, which brings in more competition, and everyone is trying to tap into the same funds." [Faith-based INGO]

INGOs are increasingly having to defend their role and articulate what value they add. The pressure to get the funds they need can result in intensifying isolation and competition.

"[It's about] egos, logos and silos. There's not enough solidarity and too much competition within the sector. We're caught in a neoliberal paradigm as if we're all small businesses. It's not very conducive to partnering, particularly with the scramble for resources." [International partnership]

"The pressure to get funding is skewing the work on partnership. We're competing not only with other NGOs but with big companies." [INGO]

For INGOs and NGOs, focusing on their unique value proposition and what value they are bringing to the collaboration is becoming increasingly essential – as well as ensuring they are set up to partner effectively, with the aim of becoming a 'partner of choice'.

While some INGOs are responding to these changes by viewing other development actors as competitors and becoming increasingly isolated, other INGOs are looking to innovate their funding mechanisms and diversify their partnerships and business models. They are doing so through seeking to partner beyond the usual suspects, and by working with other actors to unlock funding.

Intended and unintended consequences

Some INGOs and NGOs are diversifying their funding by working with trusts and foundations. These tend to have a more flexible approach, in some cases with less stringent reporting requirements and longer-term engagement that is not tied to project life cycles. They are also less top-down and are responsive to the needs of local communities – resulting in new kinds of collaboration, and changes of power structure. However, some trusts, foundations and high-net-worth individuals are increasingly exploring new ways of working by partnering directly with country-based and grassroots organisations – cutting out the INGOs which previously acted as intermediaries.

"A distributed model is gaining ground. The growing egalitarianism in the field, combined with modern technology, mean that people now work through an interconnected web of peer networks in which both funders and funded are active partners in choosing what is delivered and who is involved. Cocreation has replaced the production line."[15]

Oxfam's report on partnering with trusts and foundations, and its supporting blog, 'When failure is an option', highlight the changing frames of reference for a successful donor-recipient relationship, and the importance of sharing experiences across the sector.

"The sector wants transparency, effectiveness, and innovative partnerships that drive real social change."[16]

Possible future scenarios

It seems likely that funding routes in the development partnership field will become increasingly complex and diverse. The traditional top-down partnership model of donor, INGO, local NGO, and beneficiary is being challenged by a proliferation of different models, alliances, and ways of working. There is a risk that this could result in an over-complicated picture where coordination and shared learning are casualties, and popular causes win out over less appealing areas with greater need. However, it could also lead to a re-balance of power, as partnerships and funders seek genuine consultation, co-creation and value-sharing.

What support is needed?

The changes in funding mechanisms and, indeed, in the availability of funding, mean that Bond members are looking at their current ways of engaging with donors and other development actors, and how these need to change. Many also need to optimise their internal processes, culture and partnering skills to ensure they have the flexibility and focus to become partners of choice. Members are looking for support on:

- Engaging with donors, and identifying both traditional and non-traditional funding opportunities.
- How best to measure and demonstrate the value of their potential role in partnerships.
- Finding non-competitive ways to share partnership learning and knowledge management.
- Understanding how models of funding and collaboration are shifting, and how to adapt to this.

6. Partnering with business

The trend: Historically, 'partnering' with the private sector was a euphemism for a purely transactional funding relationship. While this is often still the case, the relationship is gradually changing as the potential for the private sector to leverage change is recognised.

Drivers: Donors believe business has a lot to offer, seeing it as more innovative and less constrained than other development actors. Civil society organisations are realising they cannot solve everything alone, and that many of the SDG goals will be impossible to achieve without private sector engagement and scale. At the same time, many corporates are themselves increasingly pushing to be more than cash cows, and to play a part in programmes on the ground.

What does this mean for NGOs and INGOs?

The stages of business involvement in development are depicted in Figure 2: from level 0 (business complying with laws and regulations); through level 1 (business undertakes philanthropic CSR; through level 2 (business becoming far more strategic in investing in their social and environmental sustainability, and with donors co-investing and NGOs partnering with them); and up to level 3 (systematic collaboration between business, government and other development actors).[17]

By working together across sectors – and each bringing their complementary advantages – civil society, the private sector and other actors can better tackle complex development issues. Business can bring innovative approaches and a new perspective, as well as funding, while links to the market offer a higher chance of change becoming embedded and mainstreamed.

The corporate culture and mindset are very different to those of civil society, however, and successful partnering requires careful management. The private sector is also seen as focusing on short-term outcomes rather than longer-term, sustainable impact. However, humanitarian organisations can also be focused on short-term results, while among some corporates there is a growing awareness of the importance of social impact, leading them to take a longer-term perspective.

There is a perception that innovative start-up companies are more nimble than NGOs, and may start to push them aside, while larger companies – which are increasingly moving into the area of managing large-scale development projects and partnerships – are perceived by some as being purely project managers, bringing efficiency in project management, but not really understanding the sector or bringing great value.

Small NGOs find it hard to get a foothold in engaging with corporates through lack of recognition and opportunity, with corporates focusing on large, well-known NGOs. This tends

THE GOAL
Business is fully engaged as a partner for the SDGs

3 Business and development actors systematically collaborate wherever interests can be aligned

The public sector (using regulation, tax and financing mechanisms) supports sustainable and inclusive business investment; companies adjust the practice of core business in ways that achieve stronger development benefits, and invest to strengthen the social and environmental fabric in which they operate; civil society brings its technical expertise and ensures the achievement of societal benefit

2 Business adopts voluntary standards and principles, both internally and within its value chain; works with NGOs/others to strengthen local producers and suppliers; social / environmental investment is more strategic

Government starts to align development priorities with business needs and resources; donors, international organisations, NGOs and communities begin to engage with business on development

1 Business engages in philanthropy; engages in some 'partnership' activities on an opportunistic basis; engages with government on business enabling environment

Government starts to invest in business enabling environment; open to public-private policy dialogue; ad hoc responses to industry initiatives

BASE Business complies with laws and regulations; pays its taxes; has conventional government relations

Government sets business regulations without consultation; minimal investment in business enabling environment

BUSINESS ACTORS   DEVELOPMENT ACTORS

Figure 2: Business as a partner in development[18]

to reinforce existing power structures and the dominance of the usual suspects, at the expense of more innovative and/or grassroots approaches. Corporates, however, are frustrated at being seen simply as funding sources by smaller NGOs, rather than as genuine project partners.

"I'm approached all day by NGOs who want to partner with us, and I ask them what they mean, but it's just about donations." [Global company]

"There is also a residual suspicion among NGOs about working collaboratively with corporates, who can be seen as either simply trying to further their own commercial interests, or as engaging in partnership for cynical reasons. "You can look at an advertising campaign but it's just about wanting to have the right logo on their website." [Global company]

The approach to involving national and global businesses as development partners correlates with the maturity and

political constraints of the business sector in each country, as the contrasting examples below illustrate:

"We're looking at working with the private sector… There is a massive enthusiasm to play a role, even if it is partly about making their profile look better. Their voice with government is increasing, as is their ability to shape policy decisions, and they have a high footprint on the ground." [INGO]

"In Tanzania it's getting more difficult, with a shrinking private sector…, with the government taking more control." [INGO]

Intended and unintended consequences

Where interests are aligned, engaging the private sector as a partner in development brings huge opportunities to scale up and mainstream positive change. However, there are also risks of facilitating corporate interests which conflict with the interests of communities. Alongside this are the risks of reinforcing and exacerbating existing power imbalances, and of a lack of accountability. To get the most value for

beneficiaries and community groups, it is clearly important to select the right partner, ensure a genuine alignment of interests, and manage the partnership carefully.

Possible future scenarios

While Figure 1 above shows that members responding to the survey have relatively low numbers of partnerships with companies compared to most other sectors, Figures 3 and 4 illustrate that over 50% see such relationships as growing in importance in the future. The private sector is clearly here to stay as an actor in the development and humanitarian world, whether as donor/partner, supplier, consortium member, project and funds manager, or a route to embedding change through the markets. Corporates are increasingly likely to push to bring their expertise, not just their money, into partnerships and projects. USAID, for example, reports that private sector partners do not want to just be underwriters of USAID programmes, they also want to be a part of the programmes on the ground.

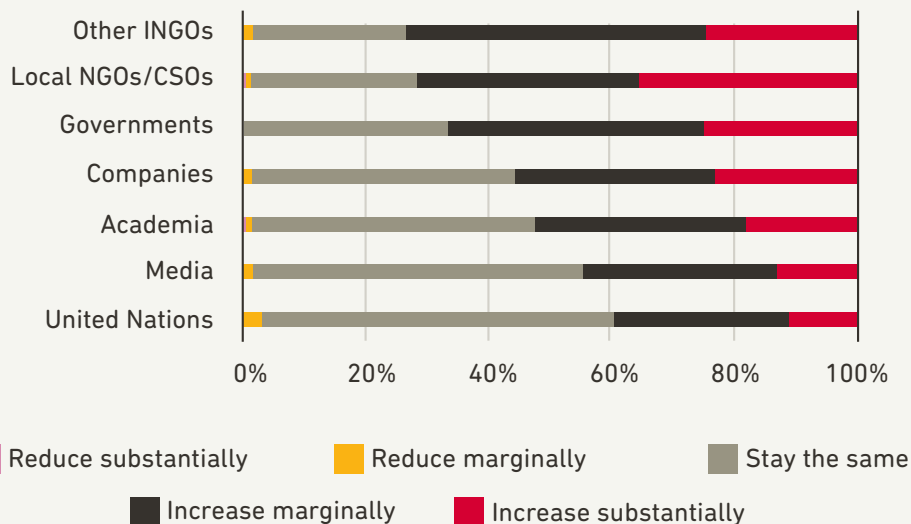## Importance of these partnerships changing in future at the country/regional level

Figure 3: Bond Annual Insights survey 2019: future importance of partnerships at country/regional level

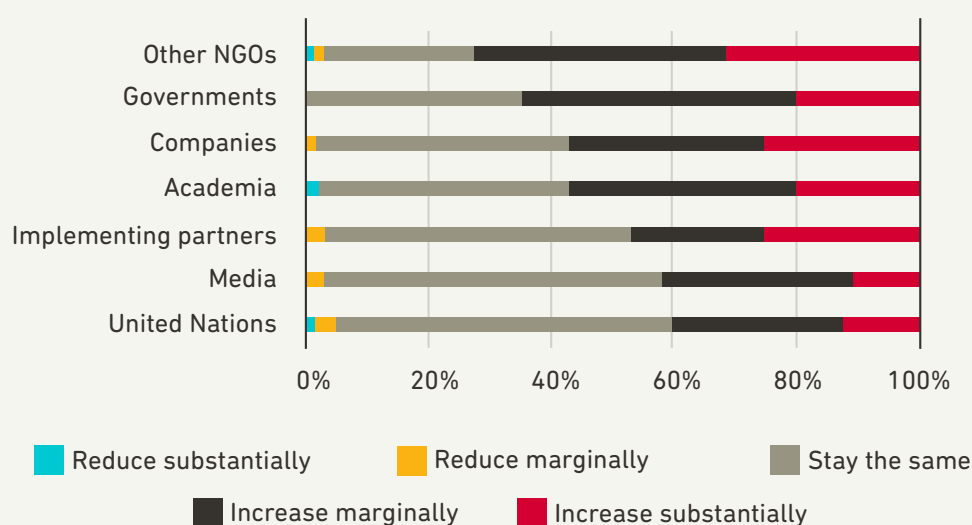**Importance of these partnerships changing at the global level**

Legend:
- Reduce substantially
- Reduce marginally
- Stay the same
- Increase marginally
- Increase substantially

Figure 4: Bond Annual Insights survey 2019: future importance of partnerships at global level

What support is needed?

Both the Bond Annual Insights survey 2019 and the research interviews emphasise the importance of looking outside the NGO bubble and working across sectors.

- Cross-sector working groups, meetings and conferences would give Bond members and others opportunities to engage, learn and work together.
- Smaller NGOs are keen to have opportunities to connect with corporates – either through face-to-face meetings, or a brokering/match-making platform which will facilitate meaningful collaboration to create mutual value.

Cross-cutting support needs

Institutional capability to partner: The changing trends in international development are all pushing NGOs towards becoming far more collaborative in their approach, as well as more diverse in the types of partners they must work with. To ensure they are institutionally 'fit for partnering,'[19] many INGOs and NGOs will need support to undertake a significant programme of organisational change to re-orient their strategies, develop partnering-optimised systems and processes, develop staff's professional partnering competencies and build up the necessary culture for collaboration.

Conclusion

The push to move funding and decision-making closer to areas of need, is bringing about changes in the structure of many INGOs and the role of their head offices. Increasingly, partnerships and project implementation are being run directly in-country, while head offices take on a more facilitative and technical support role. Coupled with increasingly stringent compliance requirements, this shift is also changing the nature of collaboration in-country, as smaller local NGOs may find themselves either excluded because their systems and frameworks do not match donor requirements, or having to change so much to comply that their own agendas become subsumed by those of the partnerships and donors. Thus, two well-intentioned development trends are interacting in unintended ways, impacting on who is included or excluded from partnerships, and the power structures within those partnerships.

NGOs are coming under increasing pressure across the world, from governments and non-state actors. INGOs are finding themselves no longer welcome to work and partner in many countries, and issue-based local NGOs face persecution and physical risks. Yet the removal or suppression of traditional development actors has, in some areas, seen new grassroots organisations and collaborations moving into the gaps.

The increasing complexity of the issues that development actors are seeking to tackle is necessitating new and more complex alliances, with organisations partnering one-to-many across sectors, rather than one-to-one. Whether in formal donor-driven consortia, or in multi-stakeholder partnerships and alliances, partners are looking beyond the usual suspects to include a wider range of organisations – from the private sector, academia, the media and beyond. This can bring innovation, new approaches and new solutions. It can also exacerbate organisational culture clashes and bring high transaction costs as the complexity of the partnerships turns them into unwieldy talking shops.

Partnering with business offers huge opportunities for finding innovative solutions or for mainstreaming positive change. It also brings risks of conflicts of interest, hijacked agendas, and lack of accountability. To add to this complex picture, development actors and partnerships are increasingly turning to new sources of funds as competition grows and unrestricted funding becomes harder to find. Foundations, trusts, and high-net-worth individuals may offer new sources of income for partnerships, and sometimes less onerous requirements. However, in some cases these donors are partnering directly with in-country NGOs, seeing INGOs as an unnecessary layer with little added value. Within these changing and increasingly complex alliances, INGOs and NGOs are having to articulate and justify the value they bring, and ensure that they become a 'partner of choice'.

The partnership world is changing, and becoming more diverse and challenging as these trends interact with one another in different contexts. An increasing multiplicity of partners are forging new alliances and linking into new funding trajectories. There is huge potential for innovation, but there are also risks. The impacts of the Covid-19 crisis have yet to play out, but will undoubtedly accelerate new and unexpected changes. Navigating the pathways of change will require a focus on equity, genuine value and shared learning, as well as the pursuit of excellence in the practice of partnering.

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