LEADING EDGE 2020

CRITICAL THINKING ON THE FUTURE OF INTERNATIONAL DEVELOPMENT

TRÓCAIRE
Working for a Just World

Trócaire's Vision

Trócaire envisages a just and peaceful world which cherishes people's dignity and respects their rights; where their basic needs are met and they can share resources equitably; where people have control over their own lives and those in power act for the common good.

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TRÓCAIRE
Working for a Just World

The Catholic Agency for World Development
Maynooth, Co. Kildare, Ireland
Tel. +353 1 629 3333
www.trocaire.org

Irish Aid
Department of Foreign Affairs
An Roinn Gnóthaí Eachtracha

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IDS Institute of Development Studies

The report was researched and produced by Trócaire's Central Policy Unit: Maeve Bateman, Tara Bedi, Dr Lorna Gold and Olive Moore.

For further information contact policy@trocaire.ie or visit www.trocaire.ie/leadingedge2020.

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alotron@gmail.com, www.alotron.com

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RESEARCH PARTICIPANTS

Allison Aldred,Trócaire, Ireland

Chris Bain, CAFOD, UK

Theresa Banda, Valid International, Malawi

Dr Kees Biekart, Institute of Social Studies, The Netherlands

Fr Claude Boucher, Kungoni Cultural Centre, Malawi

Fr George Buleya, Episcopal Conference of Malawi

Dr Mauricio Diaz Burdett, FOSDEH (Social Forum for External Debt and Development), Honduras

Nazish Brohi, Consultant, Pakistan

Luis Eduardo Celis, Cooperacion Nuevo Arco Iris, Colombia

Mavuto Bamusi, Human Rights Consultative Committee, Malawi

Aldo Caliari, Center of Concern, USA

Ann Chaplin, Consultant, Bolivia

Lindsay Coates, InterAction, USA

Guy Clarke, Trócaire, Cambodia

Michael Comerford, PhD, Trócaire, Kenya

Dr Silvio Decurtins, GTZ, Malawi

Ernest Deenadayalan, The Other Media, India

Fr Mauricio Garcia Duran, SJ, PhD, Centre for Investigation and Popular Education, Colombia

Dr Nata Duvvury, National University of Ireland, Galway, Ireland

Alistair Dutton, Caritas Internationalis, Italy

Dr Alison Evans, Overseas Development Institute, UK

Roberto Rubio Fabian, FUNDE, (National Foundation for Development), El Salvador

Sr Katherine Feely, SND, Center of Concern, USA

Adrian Fitzgerald, Irish Aid, Malawi

Connell Foley, Concern Worldwide, Ireland

Dr Louise Fresco, University of Amsterdam, The Netherlands

Victoria Geresomo, Ministry of Economic Planning and Development, Malawi

Fionnuala Gilsenan, Irish Aid, Ireland

Marcelo Giugale, World Bank, USA

Paul Graham, Institute for Democracy in Africa, South Africa

Dr Duncan Green, Oxfam GB, UK

René Grotenhuis, Cordaid, The Netherlands

Dr Sanjeev Gupta, IMF, USA

Prof. Lawrence Haddad, Institute of Development Studies, University of Sussex

Samson Hailu, Concern Universal, Malawi

Paul Healy, Trócaire, Rwanda

Fr Peter Henriot, SJ, Jesuit Centre for Theological Reflection, Zambia

Prof. David Hollenbach, SJ, Boston College, USA

Fr Jim Hug, Center of Concern, USA

Sherine Jayawickrama, Harvard University, USA

Farah Karimi, Oxfam-Novib, The Netherlands

Patrick Kabambe, Ministry of Agriculture, Malawi

Justin Killcullen, Trócaire, Ireland

Prof. Paul Kishindo, Centre for Social Research, University of Malawi

Peter Konijn, Cordaid, The Netherlands

Fr Jos Kuppens, Centre for Social Concern, Malawi

Darryl Li, Harvard, USA

Prof. Philip Lane, Trinity College Dublin, Ireland

Matthew Martin, Debt Relief International, UK

Prof. Alan Matthews, Trinity College Dublin, Ireland

Eamonn Meehan, Trócaire, Ireland

Richard Miller, ActionAid, UK

Sisonke Msimang, Open Society Initiative for Southern Africa, South Africa

Henry Morales, Movimiento Tzuk Kim-pop, Guatemala

Kumi Naidoo, Greenpeace, The Netherlands

Ron Ngwira, Alliance One Tobacco, Malawi

Colm O Cuanacháin, Amnesty International, UK

Fr Sean O'Leary, Denis Hurley Peace Institute, South Africa

Sally O'Neill, PhD, Trócaire, Honduras

Seán O'Neill, First Merchant Bank of Malawi, Irish Honorary Consul, Malawi

Dr Vincent O'Neill, Irish Aid, Malawi

Fernando Pacheco, Consultant, Angola

Mark Plant, IMF, USA

Marina Ponti, Millennium Campaign, Italy

Prof. Lant Pritchett, Harvard University, USA

Terry Prone, The Communications Clinic, Ireland

Maria Riley, OP, Center of Concern, USA

Brendan Rogers, Irish Aid, Ireland

Nick Roseveare, Bond, UK

Anabella Sibrian, Plataforma Holandesa, (Dutch Platform), Guatemala

Sally Smith, UNAIDS, Switzerland

Elizabeth Stuart, Oxfam, USA

Mary Sutton, The Atlantic Philanthropies, Ireland

Sally Timmel, Grail Centre, South Africa

Maximo ba Tiul, University of San Carlos, Guatemala

Roy Trivedy, DFID, UK

Biranchi Upadhyaya, Oxfam India

Ana Lilian Vega, Universidad Centroamericana, El Salvador

Tina Wallace, Consultants UK

Prof. Nicholas van der Walle, Cornell University, USA

Prof. Patrick Paul Walsh, University College Dublin, Ireland

Paul Watson, Trócaire, Rwanda

Carol Welch, Gates Foundation, USA

Mike Williams, Trócaire, Ireland

Walter Wintzer, Coordination Center for Natural Disaster Prevention in Central America, Guatemala.

Prof. Michael Woolcock, World Bank, USA

Hans Zomer, Dóchas, Ireland

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INTRODUCTION



The international context is changing. Climate change is now being felt right across the globe, with unpredictable and often devastating consequences for poor and rich countries alike. At the same time, governments are struggling to reach agreement on how to mitigate further dangerous climate change. New political forces are emerging – challenging accepted norms and processes from the UN system and international financial institutions, as well as agreements on aid effectiveness and international trade. Their influence is being felt right across the world. As this report goes to press, the Middle East is in turmoil, and the outcomes hard to foresee.

The past decade has seen dramatic shifts in the context for international development. The economic environment in many OECD countries has shifted from one of relative plenty in the early 2000s, to one of pressing constraints following the financial crash in 2008. These straitened economic times are putting pressure on governments who are struggling to honour their aid commitments and ensure that aid is delivering results.

Making sense of this shifting context and understanding the possible implications are daunting tasks. For international non-governmental organisations (INGOs), including Trócaire, such analysis is essential if we are to ensure that our work remains relevant in the future. Faced with limited financial resources, moreover, it can help us to look carefully at the work we are doing, and ask difficult questions about how we do it. It can help us sharpen our focus to concentrate on where we can make the most difference.

Making good choices involves stepping back from the pressing concerns and busyness of daily work in order to read the 'signs of the times'. It means scanning the horizon to try to discern what the future holds and asking what leading edge organisations will be doing in ten years' time, and how we should adjust policies and practices to adapt to a changing context. It is with this in mind that Trócaire, with the funding of Irish Aid and supported by the Institute of Development Studies (IDS), has undertaken the Leading Edge 2020 project.

This is the third such project. Each project has involved the same format of literature searches followed by semi-structured interviews with leading experts, primarily in the field of international development. Ten years ago, Trócaire embarked on its first Leading Edge project as part of its internal strategic planning process. From that project, the organisation developed a much stronger focus on international policy and advocacy, grasping the opportunities of the Poverty Reduction Strategy Papers (PRSPs) and the Millennium Development Goals (MDGs). The second Leading Edge project was carried out in 2005. Amongst other issues, it emphasised environmental justice – and the imperative for development organisations to incorporate this into their work.

The aim of this report is to investigate the future trends which will shape international development and in particular INGOs in the coming decade. It is intended to be a resource which will provoke discussion on key issues facing development organisations. It is by far the most ambitious project to date, involving some 87 experts across the world in a series of guided conversations on the future of international development. It is the first Leading Edge report to be made publicly available and it is hoped that it will benefit the development sector in Ireland and internationally.

Making future predictions is not a perfect science and always involves risks. This report is not designed to be the last word on any of the issues it raises. It does not set out statistically significant findings. Nor does it systematically test the assumptions of the research participants. Rather, it attempts to get inside the heads of some of those considered to be influential in shaping the development agenda on the basis that their views will matter.

The report is designed to spark new conversations. The research participants raise major issues, some of which are already well known in theory. They challenge us to relate these to practice. They also raise other issues which lie just beyond the horizon. In the rush to meet urgent deadlines and targets, these issues are seldom openly discussed – and yet they will ultimately determine whether those short-term goals make a difference in the long-term.

Report structure

The report has been compiled from two main sources. The first is a selective literature search, looking at both the current context and future predictions for internal and external issues likely to impact on development. This literature search predominantly focused on selected readings chosen on the basis of recommendations received from both IDS and Trócaire sources. The key texts consulted are included in the Bibliography.

The other main source material is a series of in-depth interviews carried out in 2010 with 87 experts in the field of international development, government and the private sector across the world. A full outline of the methodology used to compile the report can be found in Appendix 1. The names of the participants are listed at the start of the report but individual comments are kept anonymous throughout the text.

The structure of the report is as follows:

- Section 1 introduces the background to the report;
- Section 2 presents the key findings;
- Section 3 sets out the main trends which will shape the global context in the coming decade;
- Section 4 considers in greater detail what changes may take place in the frameworks for international development, partly as a result of this changing context;
- Section 5 examines the specific challenges facing the INGO sector and what needs be done to address these challenges.

📖 The report follows a format throughout. Each section starts with a brief introduction to a key trend or issue based on a distillation of the literature search.

❝ This is followed by a summary of the primary data – the interview responses: 'What the research participants say'. Whilst respecting differences between participants, these sections try to capture the key discussions without drawing too many inferences. Verbatim quotes are indicated in the text by quotation marks.

➔ Trócaire's commentary and analysis follow: 'What does the future hold?' These sections tease out some possible implications of the issue or trend for leading edge organisations.

In addition, insightful comments are highlighted in quote bubbles. At the end of Sections 3, 4 and 5 is a series of strategic imperatives in the form of Burning Questions highlighting issues INGOs need to address.



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KEY FINDINGS



The purpose of this report is to provoke discussion around the key challenges facing those working in international development in the coming decade. In particular, it asks where the 'leading edge' will be for INGOs like Trócaire.

Global trends

The five major global trends identified in the report are climate change, shifting geopolitics, demographic change, pressure on natural resources and widening inequality. None of these issues are particularly startling – they appear in newspapers and journals on a daily basis. The key issue is whether the development sector, and INGOs in particular, are equipped to embrace the brave new world towards which these trends point and which specific challenges they raise.

Climate change

Climate change is no longer a development issue – it is now a key context which will increasingly shape, if not determine, what can be achieved in terms of development. The coming years will see heightened tensions between countries, as they seek to adapt and ameliorate the multi-faceted threats posed. Finance and space to grow will become increasingly important.

In terms of response, the research indicates that first and foremost, there is a need to continue to build political will to prevent further climate change. There is a sense that, at least in the North, the message on climate change is still not producing significant change in people's attitudes and behaviour. The issue seems too big for people to grasp, leaving them paralysed. Ongoing education and advocacy are essential.

Agencies will need to make practical changes in how they work to adapt to climate change. The uncertainty of it creates an additional risk to the success of organisational programmes and projects. This is hard to deal with given the current emphasis on managing for results and basing interventions on evidence, approaches which tend to assume greater predictability than is often the case.

The frequency of extreme weather catastrophes leading to climate change emergencies also creates new problems. The indirect effects will result in more crises due to pressure on resources and forced migration. Disaster preparedness will become increasingly important across all areas of work. More frequent emergencies will be a drain on resources and the good will of public donors or INGO supporter bases, resulting in knock-on effects in other long term work areas.

Shifting geopolitics

The emergence (or re-emergence) of new powers, particularly China and India, is identified as the second major global trend. It is already well known that this shift in power will result in significant changes in terms of development. It will force global governance structures which emerged after the Second World War, such as the international financial institutions and the UN, to reform or risk becoming irrelevant. New forums, such as the G20, will become more important.

Least developed countries will seek economic cooperation from new powers rather than traditional development aid from established donors. This new finance will come with different conditionalities to those established donors expect.

This will result in significant changes to the dominant development model. Poverty reduction is central to the current model, which is increasingly honed to deliver the MDGs in a more coordinated way. It usually comes with many conditions and heavy reporting requirements. While there is a lack of understanding of the new donors' model, poverty reduction is not regarded as a direct objective.

This new approach, based on state capitalism, may bring some benefits in terms of infrastructure development, but also poses serious threats. The lack of transparency and accountability exposes marked governance gaps at many different levels.

Demographic change

The third trend identified is demographic change. Put together, a growing population, increasing migration and urbanisation create a picture of change not only in the composition of beneficiaries, but also the demands on social services.

Population growth will present some major challenges in the coming decade. Together with migration as a result of climate change, it may result in a hardening of attitudes in the North. Agencies depending on public donations may find fundraising more difficult. The public may question their support for development efforts if they feel they are undermined by population growth presented as out of control.

Agencies will also need to respond to the urbanisation of poverty which presents difficult problems for those which work predominantly in rural areas. INGOS may have issues with urban projects which are 'less photographic, much harder to fundraise for and a nightmare to programme'.

Natural resource pressures

The pressure on natural resources is closely connected with other trends outlined in the report. Climate change, population growth and geopolitical shifts all reinforce a trend towards resource conflict. The long term implications of land grabbing will become much more pronounced.

The consequences of increasing pressure on natural resources are far-reaching for development agencies. The crucial issue here is governance gaps at all levels. The pressure on natural resources in many countries is leading to a clamp-down on democratic space and a criminalisation of civil protest. This will increasingly undermine human rights, such as access to land, for vulnerable groups.

Widening inequality

The final key trend identified is widening national, regional and global inequality. The research points to the fact that inequality has a negative effect on development.

A particular issue in the coming years will be inequality within middle income countries. As countries graduate from least developed country status, they may have less access to development funding. Yet some of these countries will still be home to large numbers of people living in poverty. It raises the question of where development agencies should be working and what approach they should take to address poverty in these countries. The mobilisation of domestic (Southern) resources through taxation will become more important.

Against the backdrop of climate change, the key inequality challenge the report highlights is the need for North and South policy convergence. To address inequality means dealing with overconsumption, as well as poverty reduction.

International development frameworks

The future of the dominant development frameworks seems to be in the balance. This is in part due to the trends outlined above, but also the particular circumstances of the OECD countries and the timelines within which they are working. The sector has shifted very rapidly from an era of relative plenty in terms of ODA, to one of increasing financial pressures.

Certain aspects of the aid effectiveness agenda will grow in importance in the coming years. Faced with a need to cut budgets and demonstrate accountability, the focus on results will become central. However, global trends may undermine other aspects of this agenda, such as greater coordination.

The renegotiation of the MDG framework may be an opportunity to address some of these issues, but not without risks. Opening up such a key framework for major reform at a time of global power shifts – and financial instability – may result in a worse outcome that what is already in place. For many the MDGs are good enough. It may be a case of looking at how to make the MDGs work better and ensuring they embody the value of sustainability.

In order to do so, it would need to reflect the necessary policy convergence from North and South, East and West.



The search for alternatives

While each individual issue outlined here may not be new, what emerges strongly from this report is that the world is reaching a critical point in terms of overlapping and interconnected trends. The relationship between the negative trends and their potential to reinforce each other is of great concern. Serious reversals in development gains may ensue.

The underlying model or models of development will be increasingly challenged in the coming decade. On the one hand, new powers such as China and India will continue to export a model of economic development based on state capitalism and consumer-driven economics. Meanwhile, the environmental limits to growth will make themselves ever more felt. Certain countries will demand a shift towards a different development model which encompasses economic and social dimensions – or sustainable development. Which of these models wins out, or how a compromise is reached, will become increasingly important.

The search for alternative models to the mainstream, which can be applied in practice, is coming back onto the political agenda. The key challenge for INGOs relates to their added value and strategic direction – and whether they can offer a credible, alternative voice in the current debate. Given their current reliance on government funding and pressure to deliver evidence-based results, it remains to be seen whether INGOs can once more adopt that role. Many INGOs seem to be moving away from this alternative political-emancipatory role just at a time when the trends outlined point to the urgent need for alternatives. Responding to the challenges of climate change requires fresh thinking and new approaches. Tackling inequality requires a different framework to the MDGs. Dealing with new actors, such as China, means thinking outside the box. The changing nature of North-South and South-South relationships is putting INGOs under pressure to define their new role as partners in a global civil society.

Ten things INGOs need to do

In order to meet the challenges of the changing global context, INGOs need to:

1. **Do more and better advocacy,** harnessing their potential to bring about change. Advocacy must be evidence-based using local knowledge and stronger analysis. INGOs must work in collaboration, ensure their advocacy is partner-led and informed by the work on the ground, and work in closer partnership with the South, supporting rather than stifling or usurping the voices of their Southern partners.
2. **Ensure downward accountability** towards those they serve. INGOs have played a powerful role in holding governments and international organisations to account, but have not always been as stringent in their own accountability. It is essential they place as much emphasis on their accountability to the needs of the people they serve as they do to those who fund their work, involving partners more in shaping their policies and decisions. They must not confer false legitimacy on all Southern NGOs without questioning who they represent and they must develop a shared vision of partnership, where key decisions are taken together.
3. **Become more flexible and responsive.** This means being able to shift resources and focus as priorities change – without falling into the trap of reacting to fads or temporary trends. They must invest time and money in critical thinking and learning that will allow them to discern new challenges. They must work with other INGOs to remove rigid frameworks which make it difficult to shift priorities.
4. **Engage with power and politics** and how they influence the contexts in which they work at home and abroad. They need to engage more directly with the political implications of their work and how power and politics influence their identity and the change they are seeking.
5. **Build Southern civil society capacity**. INGOs must support the transition as Southern organisations carry out many of their functions. They need to ensure that the capacity support they provide is high quality, sustainable and meets need on the ground.
6. **Plan for a changed funding environment**. It is likely that funders will move towards larger, longer term contracts focused on service delivery. INGOs who wish to compete must achieve efficiencies and build technical capacity in competition with the private sector. It is unlikely that many small or medium sized INGOs will achieve the scale or technical capacity to compete for large competitive tenders. They will need to diversify their funding base.
7. **Develop stronger analysis of the local context** in which they work. This is pivotal both in terms of advocacy and programming work, but difficult to achieve on an ongoing basis. INGOs must recognise the need for different strategies in different countries, adapted for individual circumstances, rather than simply trying to apply their own strategic goals.
8. **Engage more with their own societies**, and try to build societies that are conducive to development both at home and abroad, linking work for justice in both. Education is key to raising public awareness of development so that the public understands the impacts of their own actions. INGOs must understand and respond to public demand for more ownership and engagement.
9. **Build a global culture of solidarity** with closer links to social movements. INGOs have a unique ability to link different groups and communities and offer a vehicle for citizens in wealthy countries to express their concern and solidarity. To do this, they must overcome differences and learn to work more closely together.
10. **Promote innovation and technology**. INGOs can take risks that governments and international organisations cannot. By piloting fresh, new ideas they can promote innovative schemes and share best practice which can be scaled up by governments. INGOs need to develop the expertise to become techincal catalysts, making technology work for the poor.

At the Leading Edge?

So where is the Leading Edge? The challenges this research raises for the development sector and INGOs in particular, are quite fundamental. The picture painted of INGOs is one of a group of organisations which have grown rapidly in recent decades and taken on a variety of development roles, each with a very different approach to its work. In this rapid growth they may have become detached from their original mission and values, but are unclear on their current role within the development sector. This makes it increasingly difficult to speak of INGOs as a grouping of agencies. In the future, INGOs may play quite diverse roles. It is quite possible that being at the Leading Edge in one role means you cannot be at the Leading Edge of another. INGOs cannot be all things to all people.

We may see the continued growth of large-scale and highly professional INGOs working in service delivery. They will be increasingly specialised, working in partnership with business and governments to deliver aid more efficiently and having sub-contracts with government or multi-lateral organisations. Private sector models will become more influential within these large scale consortia and their capacity will enable them to shape and challenge the aid agenda on a technical, problem-solving level. They will pride themselves on innovative approaches to specialised problems. Given their Leading Edge position within the aid system, they may not be inclined to challenge the broader political and power relationships of aid and development models in general.

Organisations which do not go down this road must stand out in other ways. They may have reduced presence in the South, but their partnerships will be much stronger, based around a shared vision of change and a robust analysis of underlying trends. Together with their partners in South and North, they will work to build a global movement of citizens to challenge the destructive trends resulting from dominant development models.

They may be better positioned to think outside the box and propose alternatives which are more sustainable, equitable and just. They will have less to lose than their big peers from setting aside their differences and brands, working together to achieve real change, recognising this can take a long time. They may retain more scope to speak out in their home countries with an independent voice and, using sound evidence, challenge their own governments to address injustice at home and abroad. If they do so, they will capture the public imagination and engage creatively with their home supporters. They will need to redouble their efforts to build a solid consitituency of individuals who understand and believe in their work.

In the future, there may be more than one Leading Edge. The middle ground, however, may diminish. As INGOs face into this decade, with all the unpredictability it will bring, they must consider how to position themselves. How they plan for these changed roles will to a large extent determine their success.

3//
GLOBAL TRENDS



This Section sets out the top five trends which the research participants believe will shape the global context for international development in the next decade:

1. **climate change**
2. **shifing geopolitics**
3. **demographic change**
4. **pressure on natural resources**
5. **widening inequality.**

It discusses the trends as a 'top five', starting with the most important. It then briefly considers a number of other significant trends which emerged in the research, but were discussed by fewer research participants.

1. Climate Change

Climate change is the trend cited by the largest number of research participants as having the greatest impact on international development in the coming decade.

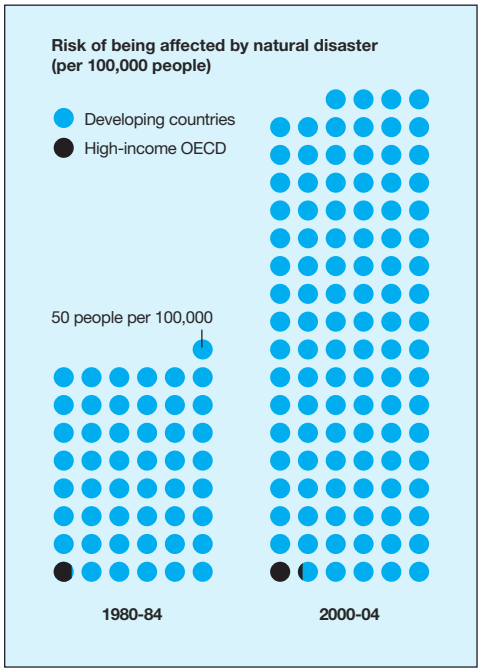
Climate change is best understood as a key context, if not ***the*** key context which will shape development in the coming decade. It is increasingly central to a broad spectrum of public policy efforts.[1] New estimates suggest that global annual average temperatures will increase by anything up to 7°C by the end of the century. An increase exceeding 2°C has been identified as the level which increases the likelihood of irreversible and potentially catastrophic impacts.[2]

Very significant patterns of change have already been observed in many developing countries.[3] Projections for Africa suggest the continent will experience a stronger warming trend than the global average.[4] Countries trying to cope with a high level of poverty often have lower adaptive capacity due to lack of infrastructure and weak governance.[5] It is projected that by 2020 between 75 and 250 million people in Africa will suffer increased water stress and in some countries yields from rain-fed agriculture could fall by up to 50%. Morbidity and mortality due to diarrheal disease associated with floods and droughts are likely to rise in East, South and South-East Asia. In Latin America this will have a significant effect on the availability of water for human consumption, agriculture and energy generation.[6]

The level of climate change and its future impact will depend on the success of mitigation and adaptation efforts. Yet even if these efforts are successful, there are a number of likely outcomes, including more humanitarian crises, with more frequent and severe unexpected disasters like storms and droughts.[7] Figure 1 illustrates the anticipated increase in the numbers of people affected by humanitarian disasters linked to climate change. In addition, climate change will result in increased migrations, both nationally and internationally[8] and greater political and economic instability, including a potential rise in conflict stemming from land migrations and water conflicts – particularly in Africa where almost all of the 50 river basins are trans-boundary.[9] There is also an increased likelihood of countries taking unilateral action to secure resources, territory, and other interests.[10]

A key issue for the coming years will be reaching a global agreement on adaptation and mitigation, including financing mechanisms.[11]

Figure 1. Risk of being affected by natural disaster



Source: HDRO calculations based on OFDA and CRED 2007.

WHAT THE RESEARCH PARTICIPANTS SAY

Climate change is a 'game changer', defining what is possible in development. It will have impacts on issues as diverse as desertification and financing mechanisms, migration and health, energy and crop yields. It is closely linked with other, long-term environmental issues such as desertification, water scarcity, soil erosion and natural resource extraction.

Whether the world is ready to embrace sustainable development and the green agenda is uncertain. Despite several years of rising public awareness, most people are still not ready to face the implications and do not know how to respond to such a challenge.

It is critical to engage decisively with this challenge and its likely 'dramatic impact.' A grim picture is emerging which includes knock-on effects on health, livelihoods and security in the South. Close inter-relationships mean that those living in poverty are disproportionately affected by climate change and least able to adapt to it.

The fault lines and growing tensions between developed and developing countries in finding a solution will become clear in the coming decade. There is need to strike a balance in these negotiations which ensures mitigation, but still allows space for developing countries to grow and to address poverty. Reaching agreement around financing mechanisms for adaptation and mitigation will become a critical issue.



The basis of mitigation efforts needs to be a shared understanding of the model of development being promoted. Without this, money for climate change could exacerbate poverty and inequality: it could just as easily be diverted into biofuel multinationals as it could to transforming the lives of those living in poverty. The development sector needs to ensure poverty reduction is central to responses to climate change.

Climate finance may prove the most contentious issue in the coming decade. It represents a 'test of equality' of global proportions. The funding required will be substantial, potentially dwarfing recent aid budgets. Given the overlap between aid and climate change mitigation finance, there will be questions about the distinction which currently exists between them, with a possible conflation of the two.

Unless there is a shift in direction, the developing countries will be forced to carry the burden of climate change. There is urgent need for leadership and political will at international level to address this issue which is pivotal and overshadows the many other considerable challenges lying ahead.



WHAT DOES THE FUTURE HOLD?

When Trócaire completed the second Leading Edge project in 2005, climate change emerged as the main issue. At that time, there was little discussion about it in the media or within the development sector. It was largely talked about in the future tense. Once again, in this Leading Edge project, climate change was the issue cited by the largest number of the research participants. The emphasis of the discussion has shifted.

Respondents demonstrate a high level of awareness that climate change is the most pressing issue of the day, but many of them did not discuss the issue in detail. Interestingly, research participants in the North often focused on the international policy level – agreements and adaptation – while those in the South were more likely to speak more broadly about tangible environmental impacts. Mitigating the negative impacts of climate change on poverty reduction clearly needs to be a matter of great urgency for the development sector.

As a 'game changer', climate change will have impacts on many different levels. There is a growing consensus in principle – whatever ensues in practice – that to address climate change adequately we must address the basic assumptions underpinning models of growth, high consumption and development.

Reforming those models whilst ensuring that those in poverty have space to develop, necessarily involves policy convergence: confronting high consumption and waste as well as addressing basic human rights. It puts questions of equity centre stage. The inconvenience this poses to rich, high consumption economies is enormous. Such a challenge requires no less than a sea change in prevailing values and behaviours, which would drive public opinion and political will across the world towards greater sustainability.

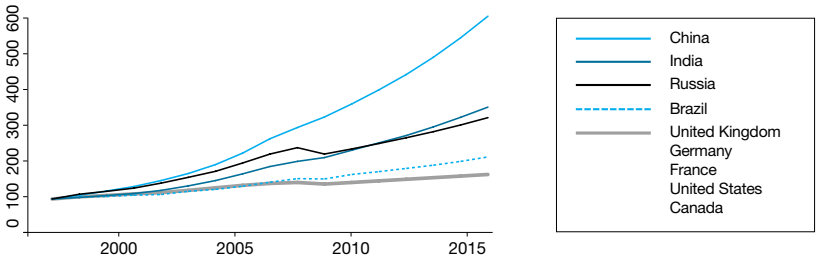
A key issue in the future will be where and how debates on such multi-faceted global issues will take place. At present, the global policy space for discussion is fragmented – with overlapping discussions going in different directions. Geopolitical shifts, as seen below, are leading to greater fragmentation. Global conferences, such as the Summit on Sustainable Development (Rio+20), may offer avenues to move this agenda forward – but their track record on delivering change does not augur well.

2. Shifting Geopolitics

The second trend the Leading Edge research participants cite is changing geopolitics and power shifts.

The 'unipolar' world order which has prevailed since the end of the Cold War is drawing to a close. What is less clear is what will replace it. As the USA has felt the impact of the global financial crisis, the growing economic power of China and the other so-called BRICs[12] (Brazil, Russia, and India) has continued unabated. It is possible that 'by 2025-30, the US, China, India and possibly Europe will constitute significant poles of power in the architecture of global governance.'[13] Alternatively, we may be about to enter into a largely 'G-2' world, where all agreements will need to be approved by the USA and China.[14]

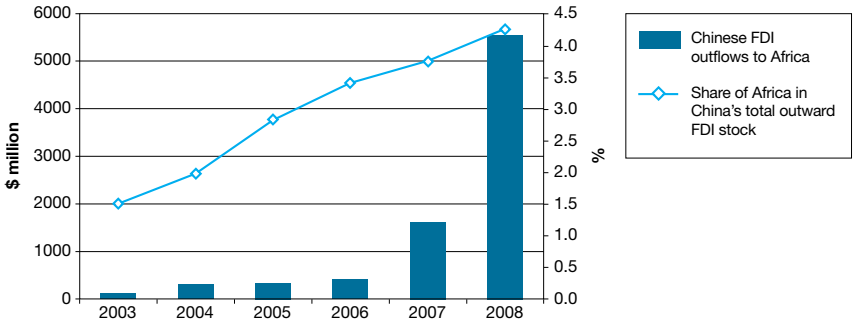
Figure 2. GDP per capita



Data: Indexed Gross Domestic Product based on purchasing-power-parity (PPP) and Indexed Gross Domestic Product per capita based on purchasing-power-parity (PPP), 1999-2015. Source: International Monetary Fund, World Economic Outlook Database, October 2010 Edition.

The BRICs' combined GDP equals 15% of world output and their central banks hold 40% of the world's hard currency reserves as figure 2 shows.[15] Growth projections for the BRICs indicate they will collectively match the original G-7's share of global GDP by 2040-2050.[16] China and India, in particular, due to the size of their populations, cannot be regarded simply as emerging economies. Rather, as the world's most populous nations, they are 'drivers of global change … pushing into the world economy, altering its underlying patterns.'[17] China seems set to continue to have a substantial impact on both developing and developed countries alike.[18]

Figure 3. FDI from China to Africa, 2003-2008



Source: UNCTAD, FDI/TNC database.

The rise of China and the other BRICs, moreover, is already forcing established global institutions and processes for economic and political governance to change. The absence of inclusive and effective institutions to deal with global economic governance in the wake of the financial crisis, is leading to the G20 becoming increasingly important. However, it would be unwise to assume automatically that a shift from the G8 to G20 will guarantee a more inclusive economic regime. There have been criticisms of the G20 recently for its lack of a clear role for the private sector, and the fact that there is no formalised way of considering the needs of developing countries.[19] The EU, as a regional institution, only has observer status in this grouping, alongside the UN.

The UN and Bretton Woods institutions, moreover, are facing increasing criticism as they struggle to adapt to new political realities. Initially 'designed for a different political order', these institutions have, over the course of the late 20th and early 21st centuries, become increasingly large and cumbersome.[20] Post-Cold War enthusiasm for the UN has been dampened by diverging political realities and increasingly vocal questioning of the legitimacy of the UN. This includes the fact that the Security Council has failed to reconfigure itself in order to reflect accurately changed global power structures and current power balances.

WHAT THE RESEARCH PARTICIPANTS SAY

Power is shifting and a new dynamic is emerging in relations between North and South, East and West. The power balance of the last 50 years is being replaced by something new, which will have the power to 'reshape the way the world thinks'.

> **We are moving towards a much more G20 world. That has profound implications for the way we think about development, and the way we actively participate in development.**
> *Donor, Europe*

The G20 will play a significant new role in this shifting power nexus. However it is unclear what that will look like in practical terms. The G20 will not automatically represent the voices of those living in poverty. The growing power of the G20 can be seen as a consequence of the breakdown in traditional North-South boundaries. It will have significant implications for how international development is conceptualised and practised.

The G20 'may become the driver of new international agreements,' but the lack of a 'small coherent elite' such as existed with the G8, may make change more difficult due to the complex range of interests at play.

The growing power of the G20 will not only have significant effects for international development – it will force a change in the model of development. Rapid economic growth in Asia is reopening the discussion about trajectories in development, sparking off an examination of alternatives. The emerging donors are seen as pushing a 'no-nonsense model' of development. It is a model where you 'build the hardware first and the rest will follow'. China in particular is touted as offering an alternative development model, which, for better or worse, will be extremely significant over the coming decade. Whether this is good or bad is uncertain. It may bring a new focus on infrastructure in developing countries, but it could also bring costly white elephants.

> **Every dictator will fly the flag of China as it allows them to access the money they need with no conditions.**
> *NGO Director, Southern Africa*

African governments are listening more to China than to the West. Chinese investments in oil, the copper industry and in land grabbing in Africa will continue to grow rapidly. Simultaneously, there may also be a declining focus on governance issues in Africa and beyond. As this influence grows, the need for a greater understanding of Chinese intentions will become more pressing.



WHAT DOES THE FUTURE HOLD?

The issue of shifting geopolitics continues to raise uncomfortable questions. The Leading Edge in 2005 flagged this as a critical context and the trend has intensified in this round of interviews. Yet the response to this challenge seems inadequate.

There is some degree of confusion over whether a coherent Chinese model of development or a meta-narrative similar to the Nordic development model exists. INGOs have little knowledge of or engagement with civil society in China. This gap is startling given the undeniable strength of Chinese influence and the fact that this is only likely to grow. Many observers see China as circumnavigating existing Western processes. This could reflect both sides' fear of the unknown and a practical inability to engage with each other.

The research participants also point to the need to move beyond an overly reductive concept of the world as North/South, South/South and to think in terms of regional blocs. Such regional thinking helps to understand different relationships and how interactions occur, depending on the country and the context. There is little reflection on the role of the Islamic states in forging new alliances, even though Saudi Arabia, for example, has been involved in many land purchases in Africa. While it is undeniable that China is the most visible actor, other actors such as Indonesia and Turkey were cited by comparatively few despite the fact that they too are also indicative of this wider trend of newer donors.

In the face of massive shifts in geopolitics, the future of the global institutions which emerged from the Second World War – the UN and the Bretton Woods institutions – is in question. Other recently formed groupings such as the G20 seem to be in ascendance. The spectre of UN failure seems to hover in the background: the oft-discussed need for UN reform was not discussed by the research participants, possibly because at this point the UN is seen as largely irrelevant, without the potential to be a solution. There was little mention of the role of the USA, perhaps reflecting the perception of changing power balances. Surprisingly, the EU's role did not feature prominently in the discussions either.

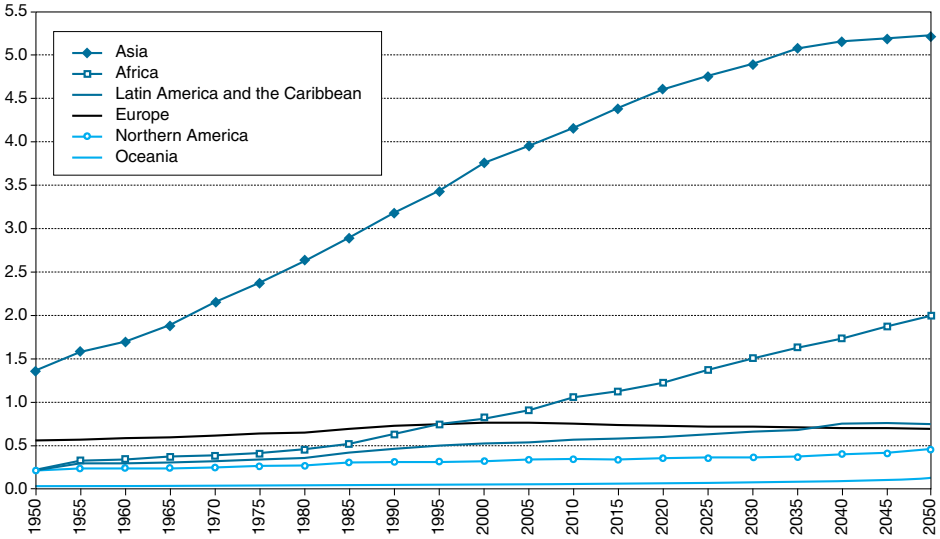
3. Demographic Change

The third trend cited by the research participants is demographic change, defined broadly as population growth, migration and urbanisation.

Demographic change is set to have a substantial impact over the next 10 years. Global population is projected to increase by roughly a third by 2050, to 9.2 billion[21] and, significantly, this growth will not be uniform across regions. As figure shows, it is projected that largely stable, ageing populations in the North will contrast with continued growth in the global South. Of the projected 2.3 billion increase between now and 2050, 2.25 billion will be in countries now part of the global South.[22]

In 2008, for the first time more than half the world's population lived in urban areas and by 2050 that figure is likely to rise to 70%. In sub-Saharan Africa, population is likely to double by 2050, with some countries far exceeding this: Uganda from 27 to 130 million; Niger from 14 to 50 million.[23]

Figure 4. Population of the world, 1950-2050, according to different projection variants (in billion)



Source: United Nations, Department of Economic and Social Affairs, Population Division (2009): World Population Prospects: The 2008 Revision. New York

This trend has clear implications for gains made in the fight against poverty, unless there is a corresponding growth in services provision. Larger populations in the South will increase demand for basic services, reducing available land and water. It is expected to lead to an increased risk of civil conflict, most particularly where there is a large young male population and few employment opportunities.

It is not possible, however, to draw a simple line of cause and effect between population growth and poverty. On the contrary, there is now broad recognition that, as much as population growth has implications for the capacity to tackle extreme poverty, so too does the stabilisation of population growth depend upon significant action across a broad set of social sectors.

The urbanisation of poverty will represent a critical issue for development in the coming decade. There is little consensus on how to address this. Some focus on the need to emphasise effective rural development to halt urbanisation,[24] while others see urbanisation as a potential good, if accompanied by adequate urban poverty reduction and environmental planning by aid agencies and governments.

The total number of international migrants has increased over the last 10 years from an estimated 150 million in 2002 to 214 million today.[25] In 2009, more than $307 billion in remittances went to developing countries – representing some 74% of total remittances. Interestingly, the top recipient countries of recorded remittances were India, China, Mexico, the Philippines, and Poland.[26] Greater migration, both within and across countries, is linked to population increases, and is likely to be a factor in the trend towards increased urbanisation. Implications include the so-called brain drain and increased dependence on remittances in Southern countries.

WHAT THE RESEARCH PARTICIPANTS SAY

Population growth will be back on the agenda and is critical to the whole development process. It will 'drag the MDGs' as social services struggle to cope with increasing demand. Population growth will heighten the pressure on natural resources and land. In countries that are primarily agrarian this will exacerbate hunger and may lead to conflict.

The face of poverty around the world will become increasingly urban in the coming decade. This may result in growing unemployment, as well as increasing pressure on resources like water and electricity. The growing number of people living in cities will lead to new food security challenges in developing countries. With fewer people working in agriculture, the need for agricultural reforms will become pressing.

> **Currently there is a dichotomy where western societies send money for development in Africa but are unwilling to have immigrants from Africa in their community.**

The impacts of urbanisation, however, may not all be negative. It may also provide the potential to grow a larger middle class and an upwardly mobile urban elite, particularly in Africa. Transformative social change is much more likely to come from shanty towns.

Alongside urbanisation, the next decade will see a major increase in rapid, large-scale migration, driven mainly by unemployment and the environmental impacts of climate change. The projected effects are predominantly negative, though the resulting remittances may offset this. Tension, violence and xenophobia are likely outcomes from employment-related migration, be it within or between states. Hardening attitudes in the North towards immigrants may lead to negative views on development.

The broader demographic shifts from population growth, migration and urbanisation will be different from country to country, continent to continent. There will be a 'massive youth bulge in Africa' accompanied by significant challenges from ageing populations in Asia, particularly India and China.



WHAT DOES THE FUTURE HOLD?

Demographic change as a develoment issue appears to be ‘back on the agenda.’ This issue did not emerge to any significant degree in the two previous Leading Edge projects, and has not occupied a central place in the development discourse since the 1994 Internationsl Conference on Population and Development.

The picture of demographic change is one of significant upheaval in the coming decade. There will be rapid but uneven population growth; migration on a massive scale – driven by this growth, as well as climate change; urbanisation across the developing world. These changes may be slow or they could happen very fast as more frequent natural disasters force people to move. The implications are significant on many levels. At a global level, greater numbers of refugees and immigrants from the developing world look set to impact on global policies. History shows that the spectre of millions of immigrants from other countries can be used unscrupulously for political gain.

The impact of demographic change in the coming decade will be transformative. The biggest question that emerges is whether the development sector as a whole is ready to address these changes, and if not, what will the implications be for development in the years to come?

4. Pressure on Natural Resources

The fourth trend which the research participants highlight is growing pressure on natural resources.

Natural resource endowment is an important advantage in achieving development. Common sense suggests that valuable minerals, fertile agricultural land, oil or other natural resources, should provide a ready income for the poorest countries. In reality, however, many such countries suffer a 'resource curse', whereby paradoxically, resource-rich poor countries tend to have economies which perform poorly. These same countres are likely to have authoritarian regimes and, in many cases, pervasive violence.[27]

Weak governance is at the heart of the resource curse. There are clear linkages between exploiting natural resources, particularly extractives, and undermining fragile democracies.[28] Governments of resource-rich countries regularly give concessions to foreign mining or oil companies to exploit resources.[29]Meanwhile, there is a growing trend in the developing world to eliminate social protest by suppressing or even criminalising such action, thus limiting people's ability to respond to these challenges.[30]

Addressing these governance issues is an important part of the solution to this problem. Adequate administrative and government institutions are essential to manage natural resources. Given that natural resources can lead to hostilities in weak, post-conflict states which often lack such regulatory institutions,[31] the focus has been to ensure suitable regulatory structures, an independent judiciary and bureaucratic competence to manage these resources.[32] There is a need for further measures to stop tax evasion, combat corruption[33], protect property rights[34] and monitor businesses more effectively.

The number of industries affected by these governance gaps of transparency and accountability is growing. Relatively new industries related to climate change mitigation, such as biofuels, often present the same issues of governance. Biofuels and the commodification of agriculture are increasingly viewed within the same framework as other resources. This demands analysis and action on the impact of increased wealth from biofuels, the enforcement of appropriate business regulations and standards, and adequate land administration systems to resolve conflicting tenure claims arising out of the discovery of natural resources.[35]

Land is an area of particular resource pressure. Demand for land has grown considerably over the last decade. This has led to land grabbing, as foreign investors make agreements with states to take possession of and/or control large parcels of land for commercial or industrial agricultural production. These are often very much larger than the average land holding in the region.

According to the World Bank, the average annual expansion of global agricultural land was less than 4 million hectares before 2008 but large-scale deals involving 56 million hectares of farmland were announced before the end of 2009. More than 70% of these are in Africa where countries such as Ethiopia, Mozambique and Sudan have transferred millions of hectares to investors. Yet only 37% of the land surveyed was used to grow food.[36] The latest wave of land grabbing was a direct response to the 2008 food crisis, with countries which consume more food than they produce attempting to secure longer term food supplies. The lack of reliable information on land grabbing makes it difficult to assess the scale of the problem.

WHAT THE RESEARCH PARTICIPANTS SAY

Pressure on the availability of basic natural resources such as water, food, clean air and energy will be a significant issue in the coming years. This will affect individuals and communities, but it will also have significant effects at the international level, as access to and control of natural resources become central to shifting geopolitics.

This growing pressure will result in different regional effects. African countries will be affected disproportionately, particularly due to the inequitable distribution of soil and water.

Land grabs will become much more common. Industrialised countries will seek to rent large tracts of land from developing countries, raising many ethical issues, particularly around the respective rights of local communities and multinational companies.

> **In Africa what they are taking out of the country in the guise of legitimate trade is, in effect, a large-scale rape of the continent.**
>
> *INGO, Africa*

Distribution will become much more important: Who has access, who has the right to emit carbon, and who can grow crops will all become pressing questions.

New conflicts over scarce natural resources, particularly water, are very likely. This is also linked to altered weather patterns due to climate change. Tensions around the Nile could bring a dozen countries into conflict if they cannot agree on access to water. The discovery of new mineral deposits will only exacerbate governance and accountability problems.



WHAT DOES THE FUTURE HOLD?

Given additional pressures in the future from demographic and climate change, resource rights will become increasingly central to global development, with conflict over the basic elements needed for survival – soil, air, water.

The actions of governments which sell off rights to their country's resources, displacing individuals and communities, are of serious concern. Foreign interests buy or rent land on long-term contracts, particularly in sub-Saharan Africa. How these land acquisitions will play out, and whether they will foster increasing resentment from displaced locals, is still unclear.

This issue exposes major governance gaps and distortions at national, regional and global levels as well as the pressing need for regulation of trade and commercial interests with greater overall transparency. Governments may apply severe pressure on local communities to change traditional land use practices – or even abandon land altogether to allow resource extraction. International legislation through the International Labour Organisation (ILO) and UN does exist to protect indigenous rights to resources. The major question is whether such legislation will be strong enough in the future.

5. Widening Inequality

The fifth critical trend emerging from the research participants is widening inequality at national, regional and global levels.

The persistence of global, regional and national inequalities will be a major issue in the coming decade. Despite generations of international development efforts, wealth and power remain in the hands of a small number of people. Gaping inequalities in basic indicators of human development persist, as can be seen from Table 1.

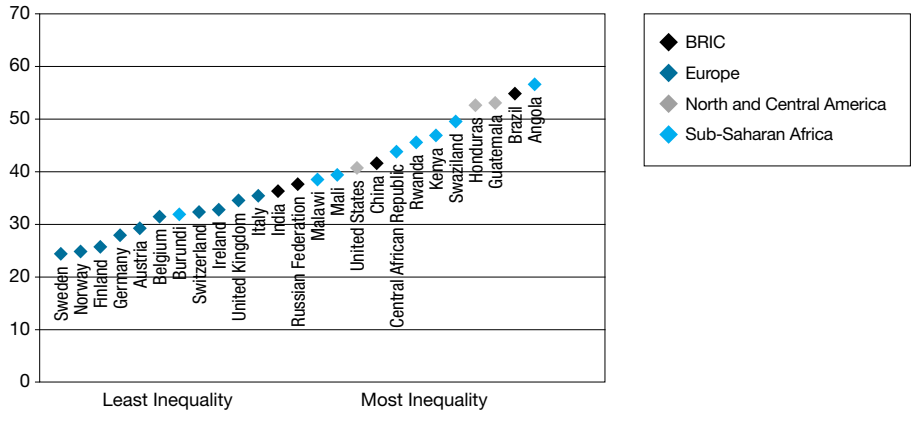
Table 1. Inequalities between OECD Countries and Sub-Saharan Africa

	OECD Countries	Sub-Saharan Africa
Income GNI per Capita $	$37,077	$2,050
Life expectancy Average life expectancy at birth	80.3	52.7
Maternal mortality Maternal deaths per 100,000 live births	8	881
Education % Population with at least secondary education aged 25 and older	Female 84% Male 87%	Female 23 % Male 38 %

Source: UNDP *Human Development Report 2010*

There is now greater focus on inequality within countries. In 2010, the *Human Development Report* assessed inequality through the human development index.[37]A substantial proportion of those in poverty now live in middle income countries including China, India and Nigeria.[38] As countries emerge from poverty, the application of dominant development models shows increasing national and regional inequalities within them. Figure 5 shows the high levels of inequality in a number of emerging countries.

Figure 5. Relative levels of inequality within countries



Data: Gini Coefficient Averages, 1999-2008. Source: World Bank, Development Research Group.

To reduce poverty in countries with high inequality can take three times the amount of economic growth than in those with low levels of inequality.[39] The relationship between economic growth and inequality, however, is highly complex. As well as impeding growth, certain types of growth can lead to increasing inequalities within countries. The relationship can therefore become circular, leading to a downward spiral of inequality.

A distribuition pattern whereby growth benefits a small proportion of the population within countries, whilst the majority live in abject poverty, has profound impacts on social stability. Inequality helps to sustain lack of accountability by governments, effectively excluding many groups from the political process. The capture of political processes by wealthy elites decreases the chance that social and economic policies will promote growth and human development.[40] Inequality in asset allocation, moreover, weakens the social contract needed for social stability, increasing the likelihood of civil conflict.[41]



WHAT THE RESEARCH PARTICIPANTS SAY

Inequality will become more significant in the coming decade. The gap between rich and poor will continue to grow and the associated problems will increase, particularly in middle income countries. Many countries are rapidly moving towards middle income status with large numbers still living in poverty, but the patterns are changing. Chronic pockets of poverty will persist, possibly in areas of civil unrest.

> **Anyone can say they oppose poverty, what development NGOs have to question is if we are comfortable to live in a world with North and South consumption patterns that are so unequal.**
>
> INGO Director, Europe

As highly unequal countries graduate to middle income, they will see a reduction in aid. Development agencies will increasingly face a dilemma as to their relationship with these countries. Levels of poverty will remain high yet many local organisations may not have access to traditional funding sources. Aid donors may increasingly focus on conflict-affected and fragile states, looking after their own interests and global public goods. With no replacement, they may be left without support, even in terms of solidarity.

There is a need to frame global inequalities between North and South more in terms of overconsumption by the North than poverty in the South. Those engaged in international development, especially in the North, will need to be more rigorous in contesting such unequal consumption patterns and their own positions within this.

Economic growth and quality of life will become increasingly divorced from each other in the coming decade with a need to find new ways to reinstate the concept of well being within a more holistic view of development.

> **There are huge problems with inequality [in MICs] but these are domestic issues to be addressed by domestic policies. There is not a lot developed countries can do in the traditional way of development cooperation for these countries.**
>
> Academic, Europe

Better economic governance at a global level, particularly in the area of trade, will be essential to address underlying global inequalities. The trading system has 'pre-loaded everything in favour of the North' and kept the South in a begging position due to aid dependence. The multilateral trading system has been in crisis over the past decade with the failure of the Doha Round of the World Trade Organisation (WTO). This gap has allowed bilateral trade deals to emerge, with detrimental long-term impacts. Whilst there was criticism of the WTO, the absence of workable global rules is potentially far more damaging.



WHAT DOES THE FUTURE HOLD?

Addressing global inequalities is the *raison d'être* for development. The coming decade will no longer understand inequality solely in terms of North/South, or financial resources alone. Inequality will be widely regarded as encompassing social and political issues such as class, gender, religion and ethnicity. It will be the most relevant lens for analysis of relationships at various levels: between individuals, groups, countries and regions.

Such a renewed emphasis will provide a more sophisticated way of looking at the complex question of which groups receive the benefits of development. It should also allow for greater attention to women's unequal status and gender discrimination.

As inequality is inextricably linked with discrimination against vulnerable and marginalised groups, the concept will challenge development actors to deepen rights-based approaches to development. The mechanisms to address discrimination are most developed and advanced in human rights law, opening up possibilities for using it to address international development issues even further.

Widening inequalities mean the development sector will have to grapple with a number of critical issues in the coming decade. A major question is whether we will be able to prevent powerful elites from using the opportunities of multiple crises (financial, energy, food, climate and others) to amass even greater wealth and power. This will very much depend on the reform of global governance systems, including trade agreements. At country level this requires political will to address inequality within development.

Issues then emerge on the role of external donors, whether official or non-governmental, in middle income countries. How can such countries be encouraged to mobilise their own resources to address domestic poverty? How should donor nations respond if countries are unable or unwilling to address these concerns for themselves – but not for its lack of financial resources? Is there still a role for the development sector in providing aid? Or does aid act as a disincentive to use domestic resources?

The Millennium Development Goals' (MDGs) development framework has been heavily critiqued for its lack of emphasis on inequality. It is technically possible to meet many of the MDGs while vulnerable groups see no improvement in their conditions. Whatever replaces the MDGs post-2015, it needs to incorporate inequality centrally.

Other Key Trends

As well as the top five issues identified above, participants raised a number of other broad issues in their top ten.

Technology will hold game-changing potential in the coming decade. There will be huge scope for rapid improvements through the use of information and communications technology. The growing reach of mobile phones, mobile banking and broadband will continue to have transformative effects. The flipside of this is the risk that a growing technology divide could hamper the growth prospects of developing countries.

> **People create electronic gated communities, selecting certain news sources and excluding others and are therefore confirming their pre-existing prejudices. This is a profound change in the way they understand the world around them, which has to shape their understanding of NGOs and indeed of the whole development area.**
>
> *Private sector, Europe*

Security, and the **securitisation of aid**, will continue to influence the agenda. It will have particular impact on the delivery of humanitarian aid, with increased involvement by the military.

The **global war on terror** discourse may be used in certain regions as a framework to contain internal conflict, ushering in repressive legislation which could represent a 'crushing blow to the liberal policies of democracy'. In many countries civil society organisations are already facing restrictive laws or actions to limit public protest. This anti-democratic trend looks set to deepen and spread. However recent events in Egypt attest to the potential of non-violent 'people power' to shift undemocratic regimes.

Participants in the South raise **HIV** and **education** among their top ten issues, whilst these were absent from Northern perspectives. HIV is felt to be slipping off the global agenda. Education is regarded as critical, but incentives in the development system do not encourage work in areas which require such long-term investment.

> **The world is more vulnerable to viral events due to increasing global interconnectedness. Events like the volcanic ash cloud, global security issues or swine flu can disrupt travel, stop the transport of food or ultimately cause a collapse of the global economy. There could be many knock-on effects, particularly with a long-lasting event.**

Gender did not emerge strongly in the research. It was mostly discussed by female participants based in the South. Its low placement by research participants does not necessarily reflect the important role it will have in development over the coming decade; however, it does perhaps reflect the low importance development discourse often accords it.

Conclusion

Given the scope and complexity of the trends, it is difficult to reach firm conclusions. Nonetheless, it is possible to tease out some further implications of those trends. The coming decade will be one of global transition, characterised by dramatic shifts in power from the established North to emerging states, especially China. The consequences of climate change will really begin to have an impact, especially on the poorest and most vulnerable. Furthermore, the decade will see a rise in global population, as well as migration at different levels. The face of poverty will become increasingly urban. The result will be increased pressure on natural resources, including basic resources for human survival – water and land. Transnational corporations, backed by states, will continue to increase their stake in resource rights in the poorest countries, especially land. The potential for civil conflict in many regions of the world will increase as levels of inequality rise and resource competition intensifies.

Global governance structures which have existed since the Second World War will be forced to reform – or become less significant, if not irrelevant. If emerging powers cannot work within those structures to achieve their goals, then power will shift away from them. Other means of achieving governance, such as the G20, may gain in strength. Regional bodies will also become more important. Yet it is unlikely that these new governance structures will follow the same development models or adequately plug the gaps in global governance to serve those living in poverty. There is a strong possibility that the human rights-based approach to sustainable development, central to the work of many development organisations, may become less significant.

The anticipated demise of the traditional global institutions points the way to a radically different view of international development within a short time. The UN is not only a global political stage – the one which is most representative – it is also the backbone of the global human rights framework and international humanitarian law. It gave shape to the human development agenda and continues to play a key role in framing the global discourse, albeit in a fragmented and sometimes incoherent way. If the UN becomes obsolete, as some expect, then does the model of development it represents die with it? Will another form of development cooperation replace it which is as yet unclear but linked to the rising influence of China in the developing world? These are searching questions which cannot be answered easily.

The linkages between inequality, climate change and pressure on natural resources will raise even more fundamental questions about the model of global development which underpins globalisation. The research highlights the need to begin to address inequality not only from the perspective of reducing poverty, but also consumption. Policy convergence in North and South for sustainable development emerges as a critical theme.

In an attempt to embrace the concept of sustainability, the coming decade will see a shift towards multifaceted measures of development such as well being rather than economic growth. This shift in thinking may move public policy away from a narrow definition of progress as economic growth, and inequality as lack of financial resources. The impact of such a shift could be far-reaching, signalling to the wider public that economic gain is one dimension of progress but by no means the only one. Social and environmental measures are equally important and often have a defining say in quality of life. New concepts which embrace the relative needs of society such as ‘enough’, or ‘steady’ rather than ‘growth’, may become more fashionable.

However, such a shift in discourse will be deeply contentious and fraught with potential pitfalls. Adjusting policies towards sustainability must allow poorer countries to raise living standards through access to the consumer benefits Northern countries have enjoyed for over a century. Otherwise, some might view it as a cynical case of changing the goal posts to accommodate Western concerns about happiness while others fight for survival.

The picture that emerges is one of overlapping, converging global challenges. The top five trends they identify are all interconnected. Each on its own is not new – but taken together, they open up the prospect of dramatic shifts in the coming decade. The combination of challenges would seem to suggest that the world is reaching some kind of tipping point in terms of the dominant development model, yet there is no consensus around what will replace the current model. How prepared is the development sector to respond to these new challenges?





Burning Questions

1. **Climate change**: Which steps do INGOs need to take to 'climate-proof' programmes and address the potential impact of climate finance on development funding streams?
2. **Shifting geopolitics**: Which measures are needed to understand and influence the model of development being implemented by the BRICs?
3. **Demographic change**: What are the implications of the demographic shift from rural to urban in terms of where and how development agencies work?
4. **Pressure on natural resources**: How do we harness the potential of natural resources and address critical governance deficits related to natural resource exploitation?
5. **Inequality**: Should development agencies work less or more in middle income countries where inequality is rising and large numbers of people remain poor?
6. **Overall conclusions**: What role do development agencies have in promoting more sustainable development models both in their own countries as well as abroad?



4//

INTERNATIONAL DEVELOPMENT FRAMEWORKS



The five global trends outlined in Section 3 suggest that the next decade will be one of global transition with significant pressures on current development models. How the development sector addresses these pressures will determine whether it retains relevance. In the light of these global trends, Section 4 examines four issues specific to the sector:

1. **Where finance for development will come from;**
2. **How aid can be made more effective;**
3. **Which framework should govern aid after 2015;[42] and**
4. **How to respond to new donors.**

1. Financing for Development

The context for international aid has changed dramatically since the 2008 financial crisis. From a time of relative plenty, the sector is moving towards an era of austerity. The EU remains the world's leading donor: more than half the aid pledged in 2010 came from the EU and in the last ten years it has doubled its ODA.

Following the signing of the Millennium Development Declaration in 2000, aid levels continued to rise steadily throughout the 2000s. Agreement was reached within the EU on a credible timeframe to reach the UN goal of 0.7% of GNI going to ODA. The UN-driven Financing for Development (Ffd) process, designed around ensuring resources to deliver the MDGs, culminated in the signing of the Monterrey Consensus on FfD in 2002 (and the follow up Doha Declaration in 2008.) This addressed different aspects of development finance, including domestic mobilisation, financial technical cooperation and increasing trade.

In parallel to these UN processes, and given the need of Western governments to account for increasing ODA budgets, the OECD sought to reinvigorate the numerous efforts to make the aid sector more eccefitve. This cumulated in the Paris Declaration of 2005 and was followed up by the 2008 Accra Agenda for Action (see: 'Making Aid More Effective').

OECD governments are still pledging to reach the UN goal of 0.7% of gross national income (GNI) for ODA by 2015, but the difficult financial situation in many EU countries makes this harder to achieve. Rising unemployment and massive fiscal deficits have resulted in aid pledges fast becoming politically unattainable at home, even in the medium term.

Alongside ODA, a new focus on other sources of financing for development is emerging. In its Draft Green Paper on Development, the EU emphasises a series of economic cooperation measures to put economic growth at the centre of development, stressing that it is increasingly obvious that the MDGs will not be achieved without 'more, and more inclusive, growth'. Taxation, including international taxation, as a means to finance development is also becoming a more mainstream policy concern.

WHAT THE RESEARCH PARTICIPANTS SAY

The scenario for financing development work in the coming decade is quite precarious, with a squeeze on ODA and a need to diversify the funding streams for addressing poverty. The next decade will see a continuous struggle by the international community to maintain aid levels and ensure aid is well used. There is a growing consensus that, given the financial situation of OECD countries, very few donor countries will meet the UN goal of 0.7% by 2015. Despite this predicted decline, aid will remain a very important source of external financing.

Northern politicians and INGOs will face an uphill struggle to 'sell' aid to their home constituencies. Reduced funds and an increasing need to account to the taxpayer may reverse the growing trend towards budget support and sector-wide approaches, currently critical to the aid effectiveness agenda. There may be a gradual shift back towards project level funding.

> **Tying primary commodities produced in developing countries to the subsequent value-added tax collected in developed countries means the countries where they are sold reap huge tax yields.**

Who receives ODA will change in the coming decade. Faced with decreasing resources, states may base allocation decisions more around their own political interests than poverty reduction: 'in strategically placed countries, helping poor people is not the focus'. Politically motivated aid has always existed, but the agreed frameworks emphasise poverty reduction through the MDGs. The shift may not happen openly, but through the allocation of funds to more strategic countries.

> **There is no question that aid is going to fall, so we have to decide whether to go on the defensive to limit the damage, or to go the innovative financing route. We cannot ignore domestic taxation, both in terms of volume and quality. The question is how we advocate about domestic tax systems in the respective developing countries.**
>
> INGO, United Kingdom

Climate change will have an impact on the allocation of funds, as well as the overall level of funding.

There wil be increasing pressure on developing countries to mobilise their own tax base and to use it more efficiently. ODA will increasingly be part of a wider set of financial and commercial solutions. This would be a welcome development in some respects, with partners in the South becoming more self-determined.

WHAT DOES THE FUTURE HOLD?

It is clear current mechanisms for financing development will change in the coming decade. Given the pressures on EU donors in particular, it is very likely that aid will decrease. Decisions around climate finance mechanisms may divert considerable aid resources towards climate mitigation and adaptation. There is a strong possibility these two streams of funding will merge.

There will be greater scrutiny of aid budgets from politicians and the public alike, leading to increased pressure to deliver more impact with less. The trend in recent years towards budget support to developing countries and sector-wide approaches designed to increase accountability within those countries, may change. There may be a reversal towards more ad hoc project level funding.

Aid from the BRICs, and China in particular, will increase in the coming decade. This will result in a new model of economic cooperation. This issue is discussed further below.



2. Making Aid more Effective

The whole question of how to make aid more effective has become a driving force in the development sector in the past decade. The aid sector is overcrowded and suffers from a serious lack of coordination. The number of donors rose from 12 per recipient country in the 1960s to 33 per country from 2001-5.[43] As well as coordination of aid, there are also serious questions about how to measure the impact of aid.

The OECD's Development Assistance Committee (DAC)[44] has played a pivotal role in this area. The 2005 Paris Declaration sets out how to achieve this. Over 100 donor and recipient governments signed up to deliver five mutually-reinforcing principles designed to make aid more effectve: ownership, alignment, harmonisation, management for results and mutual accountability. The 2008 Accra Agenda for Action followed this ambitious agenda, focusing more on country ownership, building more effective partnerships and accountability for results.

The aid effectiveness agenda has created an overarching, coherent sector-wide approach to development aid delivery. It has generated a kind of consensus around changes which donors and recipients (be they governments, international organisations or NGOs) need to make to access funding.

The need to measure success is central to aid effectiveness but is not straightforward. Success involves results which are often qualitative, rather than quantitative, for example, ensuring education quality rather than simply enrolment. The preference for quantifiable targets over quality can skew results and have unintended consequences on the work undertaken. Areas which are most difficult to quantify or entail risks may become marginalised.

This emphasis on measurement and coordination presents some difficulties for INGOs, which regard themselves as playing a different role to official donors. As a counter to the official agenda, civil society organisations (CSOs) have developed their own principles which set out how they work to make aid effective. These principles also set out minimum standards for an enabling environment where CSOs can fully apply and strengthen their specific roles in development.[45]

WHAT THE RESEARCH PARTICIPANTS SAY

The coming decade will see a squeeze on aid resources. As a result, certain aspects of the aid effectiveness framework outlined above will likely gain prominence, whilst there is less certainty about other aspects.

The framework is important for the credibility of the development community. Until now, evaluating aid effectiveness has been a low priority. This will change in the coming years.

> **Projects can be photographed but you can't take a photo of a government budget deficit.**
>
> Private Sector, Southern Africa

The emphasis on measuring results will grow, with more sophisticated approaches to assessing well being and economic growth. This will be accompanied by a drive to show the broader impact of aid, as well as immediate outcomes. There will be a greater focus on value for money and a results-based culture. While focus on value for money is not regarded as a bad thing, 'value for money in a time of austerity is more dangerous than value for money in a time of plenty'.

A results-based culture, against a backdrop of decreasing funds, may on the one hand strengthen accountability from recipients to donors, but at the same time will increase the influence that donors have to shape recipients' agendas. This raises questions about donor accountability to developing countries and whether donors will invest in ways for citizens to hold their own government to account. There is a concern that donor accountability will crowd out everything else.

How to deal with aid interventions that are difficult to measure will become more pertinent. There may be a drive to cut funding from areas where success is difficult to assess, such as education or advocacy, and instead focus on areas that have good short-term outcomes. The whims and vagaries of the public in donor countries may drive decisions rather than policy.

> **Much of the discussion taking place has been on transferring resources and meeting targets rather than on improving the use of these resources. Countries may have to start looking inwards to see how they can do things differently.**
>
> International Organisation, USA

Through prioritising what is immediate, deliverable or even photographable, the emphasis on results will risk 'reducing development to a service delivery approach' and 'depolitising aid to a technocratic solution'. This may result in a crowding-out of more intangible development fields, such as governance and human rights.

WHAT DOES THE FUTURE HOLD?

How the aid effectiveness agenda will shape up or be shaped in the coming decade will have a major impact on international development and on INGOs in particular. From our research, it seems that in the future donors will prefer a more direct, hands-on approach to development interventions.

The results culture will tend to give priority to those agencies which work in certain ways. Direct service delivery will be the most acceptable model as it offers the best way to prove results. Agencies who work through partnership may suffer since this makes the direct measurement of interventions more difficult. The report returns to this issue in greater detail in the next section.



3. Millennium Development Goals

The MDGs have been at the heart of the development framework since the signing of the Millennium Declaration in 2000.

The MDGs represent the greatest level of global support mobilised by any intervention aimed at reducing global poverty.[46] They have kept multi-dimensional poverty 'on the world's agenda for longer than any previous development paradigm'.[47] They have also created a shift in focus to outcomes, rather than inputs. The many high profile monitoring reports issued to assess their progress have resulted in the creation of valuable comparable data on development interventions across countries. Their prioritisation of certain areas has had indirect impacts on aid more widely, directing money towards particular social sectors.[48]

Table 2. Summary of the Millennium Development Goals

Goal 1	Eradicate extreme poverty and hunger
Goal 2	Achieve universal primary education
Goal 3	Promote gender equality and empower women
Goal 4	Reduce child mortality
Goal 5	Improve maternal health
Goal 6	Combat HIV/AIDS, malaria and other diseases
Goal 7	Ensure environmental sustainability
Goal 8	Develop a global partnership for development

See http://unstats.un.org/unsd/mdg/ for full list of MDG Indicators

The MDG framework, driven principally by the UN agencies, has also attracted criticism. Critiques range from the types of benchmarks chosen and the selection of 1990 as the start year,[49] to the relative weight placed on delivery of Goals 1-7 and the 'enabling' Goal 8. There are also fears that emphasising quantity negatively affects quality in some areas, most notably education. By prioritising the social sector and aid, moreover, the MDGs have distracted attention from deeper structural reforms, as well as the governance and human rights aspirations of the Millennium Declaration.[50] Aid going to support productive sectors has also decreased. Finally, many of the most pressing issues of our time, such as climate change, energy and natural resources, are absent from the MDG framework.[51]

WHAT THE RESEARCH PARTICIPANTS SAY

Despite their enduring role in development discourse, the MDGs have long since reached their zenith. Their target date is 2015 but it is highly unlikely they will be met. The financial crisis may prove a convenient means of retrospectively explaining why the MDGs did not work. The subject of what comes next, in terms of a post-2015 development framework, seems to be in disarray. There seems to be a lack of global political stamina to reopen major discussions around this and a concern that, given the changing global context, what comes next may be worse than what is already in place.

> **I have never personally met anyone in a developing country government who did anything because of the MDGs. I may not have met enough people.**
>
> Academia, USA

The MDGs are seen by many as good enough. While there is agreement they are not perfect (being the result of a political compromise) there is a sense they can be improved. The list of targets is incomplete but if used in combination with other endeavours, they can help to focus minds on key poverty reduction issues.

The key strength of the MDGs is that they are a set of public, politically agreed international goals – clear, simple and precise promises which can still be used to hold governments to account. The MDGs have proved effective as a galvanising advocacy tool over the past decade, focusing donors on key sectors, especially health and education. They have played an important role in widening the public discourse around development, by offering a range of indicators beyond GDP growth.

> **If you want to go quickly, go alone, if you want to go far, go together. I think of the MDGs as a very messy go together.**
>
> Network, USA

Above all, they have provided civil society worldwide with a shared political platform, rallying governments and mobilising public opinion around a more unified set of values – a common language and purpose. They have also produced positive external pressure as countires do not want to be seen to lag behind their counterparts.

Before moving on to what comes after the MDGs, there needs to be a serious, meaningful review of the achievements. This demands serious examination of the results, identifying what has been achieved and where, asking why certain goals have not been reached and certain countries and regions have not progressed.

On the other hand, the MDGs deserve at least some significant criticism. As goals which lend themselves to service delivery, they have tended to skew the debate on development very heavily towards an aid-driven agenda, to the detriment of more structural causes of poverty. There has been much more focus on the technical capacity necessary to achieve the end results, at the cost of discussion on the values underpinning the process, such as participation and empowerment. In striving to agree universal goals the contexts and needs of individual countries tend to be secondary.

There is sharp division over whether the MDGs are still a relevant policy framework or a serious diversion from the real issues of structural change. The goal which deals with more structural issues – Goal 8 – has tended to be forgotten as it is less tangible and not tied to specific timeframes. For many, Goal 8 is actually where the focus needs to be as it creates the enabling environment to achieve many of the other goals.





WHAT DOES THE FUTURE HOLD?

Given how central the MDGs have become to the sector, what happens to the framework after 2015? The MDGs will continue to exist in some shape or form once the 2015 milestone is reached – at worst, only as unfulfilled promises. It is unclear if they will expire. The timelines for achieving them may simply be pushed out to 2030 to allow for 'serious and strict implementation'. Alternatively, the political focus may shift quietly elsewhere and these unfulfilled promises may simply be buried; 'politicians don't like to be associated with failure'.

There may be substantial disagreement on the focus of any new framework. Given the global changes since the goals were agreed, some feel it is necessary to use 2015 to build a completely new framework. This framework should retain a focus on poverty reduction, but also address the crucial issues missing from the MDGs such as inequality and climate change. Given the cost of adaptation and mitigation, climate change is the key area where the 'MDG+' framework needs most expansion. There is no agreement to date on including agriculture and energy in any new international MDG+ framework.

Ensuring country ownership in whatever comes next will be critical. It must be grounded in country contexts and incorporated into national development strategies. The process for reaching this new framework will be as important as the outcome.

Measurement is a key area where the MDGs+ require revision, including better use of quantitative and qualitative methods to judge progress and new or revised indicators.

4. New Donors

The external forces outlined in Section 3 may overtake the aid effectiveness and MDG frameworks altogether. New powerful donors pose a major challenge to these frameworks.

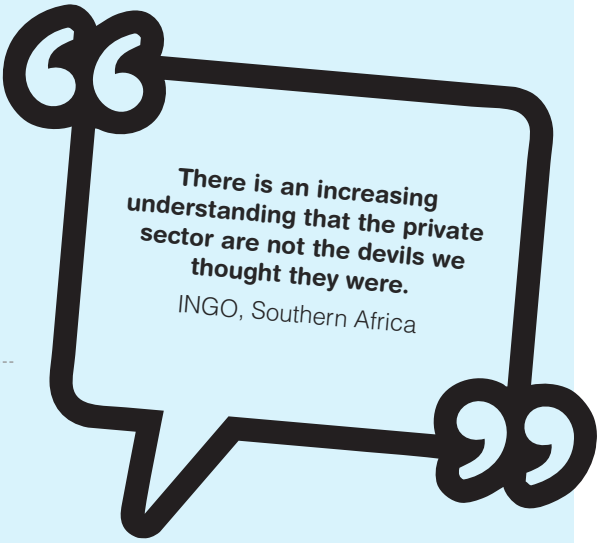
The BRICs are signatories of the Paris Declaration but this relates to their position as recipients. There are indicators that China, in particular, does not intend to determine its relations with other states in line with the aid effectiveness agenda.[52] The new donors may have three possible impacts: they could significantly alter the overall global power structure; they could promote a significantly different model of development; and they may usher in a significantly different model of aid.

China, India, and Russia do not follow the Western liberal model for self-development but use a different one, dubbed state capitalism, where the state has a central economic management role. A move towards this type of development, and away from the Washington Consensus, is increasingly likely given the recent growth trajectories of these states – and the financial problems of more established donors.

Other, non-state actors look set to increase their role in international development in the coming decade with a well established trend towards private foundations investing in development. In 2008 grants from the Bill and Melinda Gates Foundation in its Global Health and Global Development programmes surpassed the aid outlay of countries such as Austria, Finland, Portugal, India, Brazil and South Africa.

WHAT THE RESEARCH PARTICIPANTS SAY

Against this shifting aid framework, in which the results-based culture is in ascendance and the future of the MDGs are in question, new and sometimes unconventional donors will step onto the playing field and change the rules of the game. They will do this both by the kind of aid they offer and by their example of development. As discussed in Section 3, the BRICs are providing substantial new sources of finance to developing countries through low interest investment. Recipients prefer their hands-off, unconditional model of giving aid for its lack of conditionality. 'If BRICs continue on an alternative path, then that is going to impact on established development forms.' Their success is changing the development model. While China is the most cited, the Arab donors will also have a considerable influence in the coming decade.



Other development actors will become more important in the coming decade. Private sector investors will play a bigger role, bringing a different set of values to the conventional aid paradigm. Their increasing numbers make them difficult to categorise. Private foundations operate in a very different way to for-profit entities practising corporate social responsibility. There will be a growing tension between discrete development work as opposed to more complicated work – focusing on how to build roads or improve agriculture, where it is easier to send in technicians.

WHAT DOES THE FUTURE HOLD?

In the coming years China's view on aid may become the bell-wether of all development agreements, with its approach to economic cooperation seen as a challenge to the OECD-DAC aid consensus. Unlike the traditional aid model, its approach merges economic cooperation in the form of trade, loans and grants. Its agreements are usually confidential, meaning it can be unclear which benefits and concessions, if any, it receives in return. Its principle of non-interference is a factor in making it a favoured partner of many African states and this 'don't ask, don't tell' policy is unlikely to change. By eschewing the traditional demands for governance reform and transparency favoured by traditional multilateral and most bilateral donors, China is viewed as implicitly challenging the DAC consensus. The USA National Intelligence Council predicts: 'By 2025, it is likely that rather than emulating Western models of political and economic development, more countries may be attracted to China's alternative development model.'



Conclusion

The picture of the development sector in the coming decade is one of flux and upheaval. There will be challenges to accepted frameworks and paradigms in part due to circumstances beyond the sector's control. Climate change looms large in the changing aid architecture – but the impacts are far from clear. It is already impacting on the lives of millions and is an issue with potentially profound and devastating consequences.

The global aid architecture is likely to change as traditional donor countries respond to financial pressures at home and find it harder to justify foreign aid expenditure to their home constituencies. As the role of established donors diminishes, alternative voices will become increasingly influential. Emerging economies, with different concepts of development assistance, will increasingly challenge the dominant perspective, offering different approaches and an alternate focus. The private sector, whose involvement continues to strengthen and diversify, will become increasingly important.

There is a sense that the dust has not quite settled on the impact of these changes. The shift from an age of plenty in terms of aid to one of austerity has happened very rapidly and the future impacts are still unclear. Some aspects of the aid effectiveness consensus which dominated the 2000s look likely to decrease in importance. It is less likely that governments will invest more in harmonisation efforts and cooperation. Others will increase, such as the need to demonstrate results where the emphasis returns to maximising the visibility of a donor's aid rather than underpinning the development needs of the recipient country.

This trend, if it comes to pass, poses a real challenge to the development sector and particularly to INGOs. External pressures seem to be pushing aid architecture in a narrower direction which is at odds with much of the established research on how successful development processes work. The focus will be increasingly on value for money and demonstrating results. Longer term development projects, which are more risky or difficult to assess, may fall victim to this pressure.

How to engage with new donors is a key question for the established development sector. Existing donors and external commentators, including INGOs, have often viewed their role with suspicion. Many developing countries are very attracted to private sector actors and emerging economy donors. How best to work with these groups and whether to build partnerships with them will be a significant challenge for INGOs.

The question of what should happen to the MDGs or succeed them is complex and challenging. The breadth of views on the topic throws the debate wide open. Nobody knows what comes next, but there seems little appetite on the part of governments for another round of global agreements. South and North civil society organisations, however, are keen to put forward a new framework for development.



Burning Questions

1. **Financing for development**: How can we diversify streams of development finance?
2. **Millennium Development Goals**: How can we make the framework which emerges after 2015 more holistic and responsive to the needs of Southern countries?
3. **Aid effectiveness**: How can different development actors ensure that a strong results focus does not undermine key approaches and long-term programmes which are hard to measure?
4. **New actors**: How can development actors build and support better links with their counterparts in the BRICs?

5//

THE FUTURE FOR INTERNATIONAL NON-GOVERNMENTAL ORGANISATIONS

The previous two sections outlined the key trends at a global level and within the development sector. The decade they describe is one of major transitions – both globally and in the sector. In the coming years it must adapt to major shifts in development models, some of which are at odds with current models. In the light of this broader discussion, this section considers the specific challenges and opportunities facing INGOs.[53] It then considers what the research participants regard as the ten things INGOs need to do in order to stay relevant in the next decade.

1. Improve and increase advocacy
2. Ensure downward accountability
3. Be more flexible and responsive
4. Engage with politics and power
5. Build Southern civil society capacity
6. Plan for a changed funding environment
7. Develop stronger local context analysis
8. Engage with their own societies
9. Build a global culture of solidarity
10. Promote innovative technology

As Trócaire is a partnership, faith-based organisation, the future of partnership and the role of faith-based organisations have been singled out for particular focus.



Key Challenges facing INGOs

The role and importance of INGOs are changing significantly. Influenced both by global events and development trends, neither the popularity nor the expectations of INGOs have remained static for long. During the 1980s, while the Cold War was ongoing, the concept of civil society became a rallying cry against oppressive regimes. Development agencies absorbed and appropriated this idea. The 1990s were something of a golden era for INGOs. Against a backdrop of falling ODA levels, they became the official donors' favoured child[54] with comparative advantages in their perceived flexibility, commitment and community responsiveness.[55] As ODA levels rose rapidly during the 2000s, the number and size of INGOs also grew exponentially, with 30,000 now registered with the EU.

With this growth in numbers the scrutiny of these organisations has also increased. Their added value in international development has been called into question as it is sometimes difficult to discern the difference between INGOs and other development actors, such as the private sector.[56] INGOs were traditionally within the voluntary and community sector, motivated largely by voluntarism and value-driven missions. As the sector has professionalised and the scale of work grown, INGOs now look more to private companies or government frameworks to provide the know-how in terms of organisational strategy and goal delivery.

While there are positive aspects to this, the transition to a more corporate approach is still contested within the sector. Several major studies have concluded that INGOs are disconnected from their core values and mission.[57] In the drive to enforce brand identity and implement results frameworks, organisational values, which were traditionally open 'domains of discussion, negotiation and reflection', have become increasingly closed.[58]As a result, the characteristic INGO role of offering innovative alternatives to mainstream models, has lessened considerably, if not disappeared. Such alternatives are, by their nature, more risky.

In many cases, the key role of INGOs has become one of 'proxy representatives for the marginal'.[59] They play a middle role in funding between Northern donors and Southern civil society organisations. Within the international policy sphere, they produce analysis and lobby on behalf of those they support. This proxy role, however, is coming under increasing pressure. As the organisational capacity of Southern civil society increases, many question whether they need a proxy when you can have the real thing. Large INGOs are now emerging within the South and there is a trend towards South-to-South cooperation, where Northern INGOs play a marginal role.

The rapid growth of many INGOs has been due in large part to relatively easy access to government funds. Having traditionally prided themselves on having an independent voice many now question whether this actually undermined their vision and mission. Their reliance on official donors, as well as business, 'makes some of their claims of independence and moral legitimacy untenable'.[60] INGOs, some suggest, have themselves become an expression of the hegemonic political and economic projects of donor governments.

The external financial and political context is changing the relationship between INGOs and their donors. Initial government-INGO funding relationships tended to have few strings attached. Reporting requirements were light and flexible, with donors supporting programme-wide approaches or even general budget aid modalities. Over the past few years, however, donors provide less general support to INGOs. With tighter aid budgets and increasing pressure to deliver evidence-based results, the pendulum may be swinging right back towards project-based funding.

The two dominant frameworks of aid effectiveness and the MDGs discussed in Section 4 are driving a trend towards technical service delivery. Faced with a need to deliver the MDGs and demonstrate results, INGOs have significantly up-scaled their role in direct delivery of social services, with greater presence in the countries where they have programmes. There are now specialised technical INGOs delivering aid in every sector from water management and education, to agriculture and information technology. The funding trend is towards increasingly complex, large-scale projects – designed specifically to deliver joint goals with the funding agencies.

Rapid organisational growth has resulted in particular challenges for INGOs. They face considerable logistical and technical issues as they increase their presence in programme countries and develop specialisms. Increasingly, they do this in a competitive tender environment, alongside private sector and local organisations.

This shift towards direct service delivery is contentious and often at the expense of funding INGOs' work on human rights and governance in partnership with local civil society. The result is a weakening of the more 'potential emancipatory and political' roles of INGOs.[61] This is happening at a time when the political nature of civil society in many parts of the world is under serious threat. Recent research shows there is now a worrying trend towards the marginalisation of government-critical segments of civil society which largely depend on funds from official donors or INGOs.[62]

WHAT THE RESEARCH PARTICIPANTS SAY

Faced with these challenges, the research participants were asked what INGOs need to do in the next decade to remain relevant. The top ten suggestions are listed according to the frequency with which they featured in the interviews.

1. Increase and improve advocacy

INGOs do not themselves realise their huge potential to bring about change. At a time when levels of trust in leadership are lacking, they offer a real alternative. They have strength, credibility and legitimacy with the potential to be transformative and influential. They have the ability to engage in really powerful advocacy initiatives and alliances. Yet they are not fulfilling this potential.

INGO advocacy is fraught with complexities which they need to address. Key tensions relate to: the balance between service delivery and advocacy; between communicating for fundraising and communicating for advocacy; and the critical challenge of maintaining a presence in politically fragile countries while at the same time speaking out. How INGOs address these complexities and retain their independent voice will be central in the future.

The level of competition between agencies undermines cooperation, particularly in advocacy. Unless agencies can learn to work together to achieve common goals they will not realise their potential for change. The desire for brand recognition over any other consideration can be an impediment to working in coalitions. The focus needs to be on the best way to achieve the result rather than 'whether it is X, Y or Z who is quoted in the media'.

Advocacy needs to be more structured, focused and coherent. It needs to be more evidence-based with better use of local knowledge and stronger analysis. It requires skilled staff who have experience of developing countries and an understanding of political and policy processes. It is more than communications. Rather than being regarded as staff who craft messages, those who work in advocacy need to be seen as change agents.

Advocacy strategies need to become more focused and political. Most focus on governments, but other actors such as the private sector and the military are hugely powerful. Much advocacy is carried out in a confrontational, public way, whereas in many instances quiet, constructive dialogue can often achieve more.

Changing the minds of decision-makers will have greater impact – the policies will follow and there is need for more emphasis on building and nurturing relationships with political figures.

INGOs should also place greater emphasis on advocacy monitoring and evaluation. Measurement is very challenging, since political influence is very difficult, if not impossible to prove. Nonetheless, it is essential that INGOs are more honest about measuring the impact of their advocacy work, recognising that the timeframe

> **Advocacy is where the future is and is what makes [INGOs] distinctive; it is the only way that they can affect change at any kind of scale.**
>
> Academic, USA

for success is long and can take 10-20 years.

To be legitimate, INGO advocacy must be partner-led and informed by work on the ground. Increasingly people want to hear the uncensored voice of the South, not filtered through Northern NGOs' ways of thinking and presenting ideas. INGOs need to work in much closer partnership with Southern civil society, aware of the complexities between different Southern voices.

> **Will donors no longer be as interested in investing in ways for citizens to hold their own governments to account? Will donor accountability crowd out everything else?**
>
> Academic, Europe

2. Ensure downward accountability

Many INGOs need to address the challenges of their own accountability, particularly towards those they support in the developing world. This is a particular area of weakness. INGOs are praised for their work in ensuring governments are accountable, but they are criticised for not being themselves accountable to the needs of the people they serve, both in service delivery and through advocacy.

There is too much focus on upward accountability towards those who fund their work and too little on those they serve. Whilst trying to meet the increasing demands of donors, INGOs seem less concerned about the impact of direction changes on their partners' work. Given the insecure nature of funding, partners must often change their aims in order to 'go where the money is'. If INGOs were truly accountable, they would choose interventions on the basis of whether they strengthen citizens at a local level, not that they strengthen the implementing organisation or fit in with its own strategic planning objectives.

INGO policy formation is one area where downward accountability is weak. Policies are largely shaped in head offices with minimal involvement of Southern partners. Once agreed INGOs tend to occupy key positions, speaking on behalf of large groups of Southern people in national, regional and global fora. INGOs need to involve partners more in policy formation in order for their voice to be more legitimate and their actions more accountable. Moreover, where possible they need to step aside from occupying policy space themselves and work to ensure Southern civil society and governments are able to participate in key processes. In making such a shift, INGOs need a deeper understanding of local context and the complexities of Southern civil society.



They should not confer legitimacy on all Southern NGOs without questioning who they represent. Issues of voice, authenticity and identity will be increasingly important challenges for INGOs. This is a possible blind spot as INGOs often assume that work done by local NGOs has inherent legitimacy.

One way to address downward accountability is through devolved national decision-making. This may present its own challenges for INGOs in relation to organisational coherence and direction. Another way is through more innovative thinking around how partnerships can evolve. The current notion of partnership needs to change, as outlined in the Special Focus on page 69.

> **If you look at the history of the abolition of slavery, these groups weren't doing a five year plan with a nice neat matrix.**
> Academia, USA

3. Be more flexible and responsive

In the future INGOs must become more adaptable, flexible and responsive. Organisations will need to shift resources as priorities change. They will have to be able to reinvent and redefine themselves as circumstances require. At the same time, they should distinguish between being responsive and just reacting to temporary trends or fads. They need to remain faithful to their mission.

In order to be flexible and responsive, but still consistent with their mission, INGOs need to 'look at the horizon and see where the new challenges are'. Good analysis is essential if INGOs are not to fall into the trap of doing what they always did, when times have moved on. Real time and real money need to be set aside for critical thinking and critical learning. They need to look honestly at the drivers of change and how change should be substantive, structural and sustainable. In many instances, this is not about issuing new studies – but really engaging with the learning that has already taken place and acting on the findings.

The rigid frameworks within which many INGOs work tend to prevent this from happening. Organisations need to find better ways to be accountable to their donors and partners, whilst retaining the ability to change.

> **Twenty years ago nobody knew about HIV; ten years ago few people were concerned about climate change; two years ago nobody thought there would be such a financial crisis. INGOs should all be building flexibility into our programmes: when these wild cards happen we need to address them.**

4. Engage with power and politics

Power and politics are central to the work of INGOs at home and abroad. If INGOs are to achieve their potential for bringing about change, they need to recognise this and develop a deeper understanding of 'not just the power of others but [their] own power'. INGOs are part of the current power structure and need to understand how their actions influence power relations. They need to consider their own identity and how relationships with different stakeholders may affect this.

This is especially true in the area of funding. Many INGOs now rely heavily on official funding from donors with the risk of compromising their independent voice. It is unclear whether they consider themselves as extensions of government, or something different. INGOs first need to clarify their own understanding of the politics underpinning these respective roles.

> **It may take ten times as long, but instead of paying to build a bridge we should be mobilising people to campaign for the bridge from their own governments. The incentives in our industry are wrong.**
> Network, Europe

INGOs also need to engage more directly with the political implications of their work in the countries where they operate. In some cases, 'the kind of aid that goes into some countries has emboldened dictators and provided them with more resources to expand their security systems to repress their people'. Equally, the fact that INGOs' own staff are often 'middle class people with their own values' who 'shy away' when the work of their partners becomes too political is a challenge to their role as a catalyst for social movement.

5. Build Southern civil society capacity

Whilst large-scale service delivery will become a key for some INGOs, for the vast majority it will become less important, if not totally irrelevant in the future. The transfer of capacity – and functions – to Southern organisations will become a strong possibility.

There is a need to acknowledge and engage with the power struggles inherent within this shift. There is a perception that rather than building the capacity of Southern organisations, INGOs have increased their presence in the South. Through establishing local offices, INGOs are seen as 'empire-building' and often taking away the space of already established local organisations. This behaviour, even with the best intentions, is less and less acceptable. Instead, people believe that 'rather than parachuting in' – which it is accepted may be appropriate in an emergency response – it is more appropriate to build local capacity.

> **The purpose an NGO should have is to become irrelevant, that's when you've succeeded, when you become irrelevant. However it is difficult to ask the fish to empty its own pond.**
> Private Sector, Southern Africa

Areas in which it was suggested that INGOs need to step up in terms of capacity-building include policy, research, mapping out political strategies and media campaigns.

How INGOs deliver this support is also important. In certain instances, courses to build organisational capacity 'have become a second salary' with people going from seminar to seminar without ever putting into practice what they learn because they benefit so much from daily subsistence allowances.

6. Plan for a changed funding environment

INGOs appear to have a political blind spot in relation to their funding base. The over-reliance on state funding means that many INGOs are de facto 'becoming sub-contractors of governments'. This role threatens their autonomy, making it difficult to retain an independent, non-aligned view of what needs to be done – a traditional characteristic of NGOs. If INGOs serve their state's objectives, or act as spokespeople for the kind of aid their state promotes, then they will soon lose their own voice. The knock-on effect is that the aid agenda becomes self-serving with INGOs more concerned about protecting their funding than critiquing donors.

There is a clear trend in the funding environment towards more service delivery. In future, INGOs will need to develop their capacity to manage bigger programmes, in line with the expected shift from funders towards awarding larger, longer-term contracts. In line with a trend towards more thematic based programmes, joint applications by consortia of INGOs, local organisations and private sector organisations will be more common. Internal systems and processes need to improve drastically to achieve better efficiencies – more akin to the private sector than public administration.

INGOs' role, moreover, as an intermediary between Northern donors and Southern civil society, will change. INGOs must anticipate and embrace the transfer of their funding role (in whole or in part) to Southern partners. This shift will significantly effect how they operate over the long-term.

Given the political environment, particularly in Western Europe, INGOs need to be aware of the impact of over reliance on government co-financing. In a bid to satisfy donor demands for results and value for money, INGOs may become technical implementing agencies almost by default. The easiest way to demonstrate value for money is to do it yourself – service delivery is 'measurable and photographable'. More transformative ways of working involving partnership present a greater challenge within this funding environment. It is possible that these approaches will be crowded out.

INGOs need to work together to counter this trend and promote a longer term approach. They need to increase their flexibility rather than 'trying to design five year plans to please funders'. Limiting timeframes, or stopping the funding of effective projects after two years because they have not yet achieved their aims, or it no longer fits a stakeholder agenda, are highlighted as counter-productive behaviour. Throughout history people have achieved major social change by working tirelessly towards their objective, even if it takes a generation.

It is questionable whether INGOs are best equipped to take on a more direct technical role. If the trend towards large competitive tenders for sub-contracted donor work continues, many small and medium sized INGOs may lose out. It is unlikely they will have the scale or technical capacity to compete on a level playing field to win bigger contracts against private sector actors, such as management companies.

As funding from both institutional and private donors is squeezed, INGOs will need to define their added value more clearly – and even seek new, unconventional funding sources, becoming more open to different kinds of funding partners. In order to secure their future funding base, they will need to consider working strategically with a broader range of funders, including the private sector, government or even the military. In doing so, they will become much more politically aware of the potential implications of accepting funding from certain sources.

The lack of reflection on the underlying politics of this shifting funding environment, and particularly a larger-scale service delivery model, is worrying. In the long term, this may have a serious impact on the independent voice of INGOs as advocates. These funding structures will force INGOs to stay problem-focused and 'project a discourse of charity', rather than focusing on bringing about social and political change.

7. Develop stronger local context analysis

INGOs should not apply solutions prepared elsewhere, such as head office, without paying attention to the implications of differing contexts. They need to develop a deeper understanding of the different contexts in which they operate and shape their work accordingly. Having this understanding is pivotal both in terms of international advocacy and local programming. Keeping it current is a big challenge, even to the largest INGOs as even what is considered civil society changes hugely from country to country, meaning strategies need to be tailored to each region. Balancing this with the organisation's own strategic goals is difficult.



This local context knowledge also needs greater political awareness. INGOs must recognise the negative political influence they can have in the countries where they work. Involvement that aims to build civil society can unwittingly depoliticise local civil society. By occupying space that belongs to local organisations they can undermine local accountability and by glossing over an inherently politicised and moreover contested civil society they can deepen divisions.

8: Engage more with their own societies

INGOs need to develop a stronger relationship with their home societies and deal with the needs of home-based supporters, as well as adding value to their own societies. With greater connectivity through travel and social networks, in future people may not want relationships with developing countries mediated by INGOs. The public in the North increasingly wants more ownership and engagement in the organisations they support. Technological improvements mean they expect to see where their money is going.

The message of development is becoming harder and harder to sell, especially with more frequent disasters, partly due to climate change. People have less trust in INGOs, a further driver towards the growing emphasis on demonstrable results. The rights-based approach of many INGOs working in partnership can make this results expectation problematic.

INGOs should not only be seen as actors in Southern countries far away but also as playing a role in their own societies. They need to ask: Are we trying our best to create societies that are conducive to development at home and abroad? Their own societies need to support a global justice agenda, promoting a sense of solidarity, basic values, common responsibility and understanding that development is not just a Southern question. Despite years of raising awareness, public understanding of how aid works and the nature of development remains low. This links in with the view that INGOs need to focus on development education and connect with their home constituency.

INGOs will need to add value within their own societies and their own political systems 'as part of a global movement for justice, development and peace'. In line with sustainability, they should promote a new way of living and spread the message that we need to be less consumerist and have lower consumption levels.

9. Build a global culture of solidarity

As well as engaging more in their own societies, in future INGOs need to grasp their role in building global solidarity. The resources available to them mean they have the ability to speak across borders and talk to people in the developed and developing world about major issues for the future of all. They represent a kind of global culture which embodies 'a world outside that cares'. At their best, INGOs can be symbols of global communities uniting against a growing localised mindset – 'it's us against them and the "them" keeps changing.' This gives them a unique ability to link the 'global to the regional to the national to the local'.



True to their original mandate, INGOs still offer a vehicle for citizens in wealthy countries to express concern and solidarity. Yet this role is too often seen as fragmented and competitive – with the organisations themselves sometimes not demonstrating the values they espouse so vocally. To really make an impact, however, and have a transformative role, INGOs need to overcome their differences and work more closely to achieve joint goals. At a practical level this is about investing in networking, but it is also about leadership.

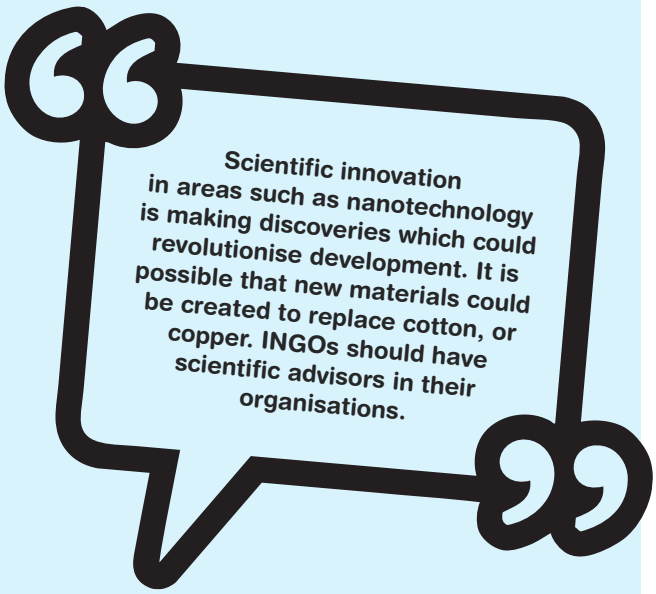
Greater co-operation is required if they are to engage with global movements and build a global culture of solidarity. This may mean sacrificing individual interests (such as profile, priorities) to work together. They can only achieve siginficant political impact if they overcome their differences and learn to co-operate through networks and alliances, and where necessary, with other stakeholders such as academia, governments and businesses.

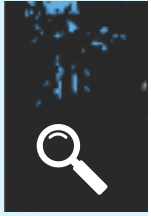
Alliances and networks are essential to policy change. A major issue is how to overcome the challenges and limitation of working in networks. Larger networks are often dominated by 'the log frame models of western thinking' and have no real mechanisms to guarantee results and no decision-making powers. Without more integrated alliances, INGOs may find their impact over the next ten years becomes increasingly marginal. Dynamic coalitions that can integrate different issues will have the edge.

10. Promote innovation and technology

INGOs traditionally prided themselves on offering alternative, innovative ideas. There is need for greater emphasis on innovation. By piloting new ideas they can promote innovative schemes, share best practice and convince authorities to scale up projects. If they can communicate successes they can expand, deepen and broaden them. This will allow governments to upscale projects they may originally have viewed as risky but through INGO innovation are seen to be effective. Many INGOs have lost the ability to promote innovative solutions, focussing on immediate results rather than risk taking.

Technology is an area in which INGOs need to be increasingly innovative and involved: they have a role working as catalysts to make technology work for the poor. INGOs are criticised for frequently being too conservative regarding technology, and lacking the expertise to use new technologies. Technology is not dependent on people moving from North to South and INGOs need to be more innovative and creative in how they respond to challenges, including climate change.





SPECIAL FOCUS: Do faith-based INGOs have a special role?

Many INGOs have strong links to churches in the North and South. These links vary across organisations. For some, the links are more informal, with the organisations being 'lay' associations which draw their motivation from faith and support from churches. For others, like Trócaire and most CIDSE agencies, the link is more formalised – with church hierarchy playing a key governing role. The link to church, in its many forms, influences the role these INGOs play.

The most important asset that faith-based organisations bring are the values which guide their work on the ground. They tend to adopt a strong community-based approach. This underlying motivation can contribute an added dimension to their work. In principle, given their links to faith, their underlying vision and values should be clearer than secular INGOs.

Another key asset is their linkage at all levels from the grassroots to the international level. Church presence means that when they start to work in a country, they usually have a ready-built network. They often know exactly where to start and 'who their partners of choice are'. Being linked to a church gives them a common reference point with local communities, making it 'easier for other religious communities to understand them' and accept their involvement.

Faith-based INGOs, moreover, often have the advantage of working to a longer timeframe than most other INGOs. They have a longer track record and their involvement is seen as constant. They are committed, and rooted in societies. When a war breaks out that causes INGOs to leave for security reasons, there is never a question of the churches leaving. This advantage of time is something they should utilise more. They are 'in principle much less driven by the short term imperatives'.

Not all faith-based organisations, however, are a positive influence. The 'myriad of god franchises which have cropped up' in Africa is seen as a concern. These 'quite alarming institutions' tend to use development interventions to promote their religious views, making help conditional on participation. Many regard such organisations as 'dangerous to development'. This is a trend which needs to be watched.

Many faith-based INGOs have 'enormous credibility and constituency' but do not tap into this fully. To make the most of their particular assets, they need to develop a stronger sense of how their values inform their work. They need to move beyond simply using their home-based constituencies 'only to raise cash' and to focus more on 'educating their followers ...so that they give their money because they understand and believe in the cause rather than because that's what their religion encourages them to do'. The 'faith perspective' of INGOs offers a way to forge connections and understanding between the organisations and the communities with whom they work. They need to use their position to give the church a stronger voice on important issues. They should use their 'spiritual capital' to position themselves at the cutting edge of rethinking what it is we are trying to achieve as a society. The values inherent in a faith-based approach can offer a different view of sustainability, helping to move beyond the current model of consumer-led development towards a 'different lifestyle' based on well being.

SPECIAL FOCUS: The future of partnership

Partnership is a used and abused word in development circles, most often understood in terms of the relationship between a Northern INGO and a Southern partner. How will partnership evolve in the coming decade?

A diverse range of partnerships will develop in the next decade, involving the private sector, local government, regional government, regional bodies, trade bodies, universities and social movements. INGOs need to develop tailored approaches to working with this diverse range. Partnerships with the private sector are becoming increasingly strategic for INGOs and there is also potential for partnership between Northern and Southern universities.

INGOs need to be ready to surrender some of their power in order to respond to a changing global context. The balance of power is shifting towards the South, so too are changing power relationships within civil societies. As Southern-based organisations such as BRAC grow, there will be new alliances formed to balance differing perspectives. Increasingly some local NGOs are bigger than the INGOs which support them. In these instances, INGOs are giving a small amount of money in order to have a seat at the table.

How power and equality play out in partnership is important. To build more equal relationships we must first recognise the inherent power imbalance between giver and receiver. In practice, partnerships with Northern INGOs rarely allow Southern partners to set the pace. Most key decisions are still made in Northern headquarters.

The idea of a chain of funding, where 'bilateral donors fund INGOs, which then fund local NGOs, which then fund local community grassroots organisations' is increasingly under strain. If INGOs do not develop their added value outside of this funding role, they may find themselves bypassed; they need to establish what they bring to the table other than finance.

Capacity-building is still an area where INGOs can add value. Many local NGOs are in the early stages of development and require support. This support, however, must be based on a mutually beneficial partnership, not a takeover by INGOs. There is an ongoing need to offer support to local NGOs, for example around reporting systems. Interactions to build capacity can strengthen governance and in particular issues of transparency and accountability but only if the INGOs themselves have the appropriate capacity.

INGOs need to give more space for local NGOs to be heard at regional and global levels, as well as supporting them in often constrained national and local arenas. They need to let those from developing countries speak for themselves – 'We can help to facilitate, through getting them to meetings and helping with visas. They need to decide who speaks for them and what their positions are.' There are difficulties in being Northern and global at the same time, but these are important to navigate.

A shared vision of partnership is seen as pivotal and it is essential to have a common aim and clear vision of change. Mutually agreed goals and concepts are important in constructing a 'helping relationship with mutual accountability'. Partnership needs to be more than an INGO having a consultation with the partners. If it is to be real, decisions need be taken together, not in the INGOs' home country. INGOs and their partners should decide together to build a new way of acting in partnership. Unless INGOs and national NGOs discuss coherence from the local level to international level, donors will always have the power.

Conclusion

The issues about the future of INGOs raise quite far-reaching questions for the sector. They go to the heart of the identity and purpose of these organisations. It would be false to suggest that there was one overarching view of INGOs among all the research participants, but there appears to be some consensus on what the next ten years may hold and how INGOs should respond.

A key issue emerging from the research is the rapid growth of INGOs. There is a sense that in the quest to grow, they may be losing touch with their original mission and traditional added value. The speed and scale of growth has created a sense that many INGOs are out of touch both with their roots – the local communities where they work – and the international solidarity movement. The passion which characterised INGOs seems to become lost in the drive to compete against other agencies for funds. Results-based frameworks, meanwhile, are having a negative impact on their capacity to do work which is difficult to measure or where the chances of success are less certain.

One issue which emerges strongly is a choice that many INGOs will have to face about the focus of their work, largely driven by institutional donors. Pressed to demonstrate results, many INGOs have scaled up their presence on the ground and are moving towards direct or indirect service delivery. There may be less space for relatively small, independent INGO operations which do not conform to this approach. To access donor funds, the emphasis will be on large-scale contracts, often in consortia with a diverse range of partners, including the private sector.

At the same time, however, the research suggests this is not necessarily the right direction for INGOs. When asked what INGOs should do to remain relevant, the highest number of respondents cited advocacy as their most important activity. INGOs also need to focus more on the political influence they exert and the nature of their partnerships and relationships. This is particularly true in relation to the interests of their major donors. There seems to be a contradiction here. How can INGOs improve their advocacy, whilst at the same time increasing their dependence on funds from governments and the private sector? The contracts in these funding relationships would seem to tie those INGOs into a kind of sub-contractor relationship where the potential for advocacy, at least of a public nature, will be limited.

With this shift to large-scale service delivery, the scope for small and medium-sized INGOs to access government funds for long-term development work may be limited. Not only is there a shift in funding towards larger contracts, but the research participants also anticipate a transition towards direct funding of Southern civil society organisations. With more capacity on the ground, the intermediary role of many INGOs as funders in their own right looks likely to diminish. The next ten years could see a rationalisation of the sector, with relatively few INGOs having the resources or capacity to step up to the competitive tendering processes anticipated.

Paradoxically this likely future for INGOs is not the one many of the research participants would choose for them. They would prefer to see INGOs more independent from government funding, much more vocal in their advocacy and playing a more openly political role both in their home societies and abroad. They aspire to INGOs being smaller and more flexible, focusing on structural change rather than philanthropy and basing their work on a much more rooted form of partnership – underpinned by shared vision and values, as well as greater collaboration with other like-minded organisations.

The message that strongly emerges is the added value of INGOs in creating linkages – financial links from North to South in their role as funders, linking civil society to allow for experience sharing and connecting themselves with civil society in order to build capacity, uniting movements from different regions and holding governments to account internationally. In many respects, what they describe is a return to the more traditional role that INGOs played in the past, but adapted to new challenges and opportunities.



Burning Questions

1. **Advocacy**: How do INGOs ensure that they protect their independence and ability to advocate on issues which may be unpopular with important stakeholders?
2. **Downward accountability**: Which measures do we need to put in place to ensure that INGOs are at least as accountable to the people they serve as to the donors who fund them?
3. **Flexible and responsive**: How can INGOs adapt their approach and frameworks to ensure they can shift priorities, while not falling victim to development fads?
4. **Power and politics**: How can INGOs understand better their own role as political actors and how this influences the distribution of power?
5. **Build Southern civil society**: How can INGOs adapt models of partnership and respond positively to the prospect of more powerful civil society actors in the South?
6. **Funding environment**: How will INGOs continue to invest in long-term work based around advocacy and partnership, when institutional funding priorities seem to be driving towards large-scale service delivery?
7. **Context analysis**: How do INGOs meet the need for better local context analysis?
8. **Engagement with home society**: Should INGOs focus on educating their own societies around development issues or go further and play an active role in addressing inequality in their own countries?
9. **A global culture of solidarity**: Which steps do we need to take to overcome destructive competition between INGOs so as to build stronger coalitions?
10. **Promote innovative use of technology**: Which practical measures can we take to increase INGO knowledge and use of transformative technologies and approaches?



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APPENDIX 1

REPORT METHODOLOGY



This research was conducted employing qualitative research methods. Its main sources are a literature search and a series of semi-structured interviews carried out with participants identified as practitioners or influential thinkers.

The report was not designed to test a specific hypothesis and does not set out to present its findings as statistically significant. It does not imply that the majority of people working in development would necessarily agree with all the ideas outlined. Equally, there was no separate research undertaken to examine the validity of the research participants' assumptions (assuming validity in this case could refer to the likelihood of their predictions coming true, or the representative nature of their views). The report explores the views and opinions of a wide range of individuals. It does so in the belief that even though their assumptions may not prove to be correct, these assumptions are nonetheless likely to be influential in the coming years.

Interviews were carried out on the basis they would be presented anonymously. This encouraged a free and frank exploration of views rather than an exchange of official organisational positions.

Literature search

A selective literature search looked at both the current context and future predictions for internal and external issues likely to impact on development. This search focused predominantly on readings chosen on the basis of recommendations from both Institute of Development Studies and Trócaire sources.

Semi-structured Interviews

Who was interviewed and why

The unique source for this research is the semi-structured interviews carried out with leading edge and influential development thinkers and practitioners. They were asked:

(i) Where they see development going over the next ten years; and

(ii) What they see as the future role of INGOs.

A full schedule of questions can be found in this Appendix.

Purposive sampling was used to select the research participants based on a number of loosely applied criteria:

- Persons holding a senior position within important stakeholder organisations, which enables them to exert influence over significant policy decisions;
- Persons having a solid track record in shaping the academic discourse on international development (including politics, economics, international relations);

- Persons holding senior positions within peer organisations, particularly in research and policy;
- Persons recommended as being knowledgeable or astute in a particular region or issue area;
- Persons who contributed to previous Leading Edge reports.
- In addition the views of a number of Trócaire staff were sought.

The selection process was therefore quite subjective. Efforts were made to ensure geographic and sectoral diversity where possible. However the process was shaped by the contacts Trócaire had, as well as the availability and willingness of high level research participants to participate. Trocaire were guided in this process by advice and suggestions from the Institute of Development Studies, as well as contacts in Trocaire country and regional offices.

There were 77 interviews in total with 87 research participants. These included four focus group interviews with particular organisations, based on convenience and availability. Table 3 provides a breakdown of the various organisations represented in the interviews, though in most cases the research participants' views are their own and do not necessarily coincide with those of the organisations they are employed by or lead.

Just over one third of research participants are based in Africa and Latin America, with over half from OECD countries. Given the desire to understand the views of particular stakeholders in the Irish and UK context, the large number of research participants from these countries (32%) somewhat skews the geographical spread. Unfortunately, despite considerable efforts, some regions are particularly under-represented and there are no research participants from East, or Central Asia.

Just over half the research participants are from other civil society organisations working in the development sector, including INGOs, local NGOs and faith-based organisations. One quarter are academics, the remaining quarter from government, donors, private sector, foundations and international organisations. While this gives some indication of the cross-section of participants, there is some difficulty categorising in this way. For example many participants currently working in a given sector (e.g. INGO, foundation) could also be considered academics working outside academia.

Table 3. Organisations of Leading Edge research participants

Action Aid UK	Alliance One International, Malawi	Amnesty International	Atlantic Philanthropy	Bond
Boston College	CAFOD (the official Catholic aid agency for England and Wales)	Caritas International	Center of Concern, U.S.A.	Centre for Social Concern, Malawi
Centre for Social Research of the University of Malawi	CINEP (Centre for Investigation and Popular Education), Columbia	Concern Worldwide	Concern Universal	Cooperacion Nuevo Arco Iris
CEPREDENAC (Coordination Center for Natural Disaster Prevention in Central America)	Cord Aid, the Netherlands	Cornell University	Debt Relief International	Denis Hurley Peace Institute, South Africa
Department of Foreign Affairs, Ireland	DFID - UK Department for International Development	Dóchas, the Irish Association of Non-Governmental Development Associations	Dutch Platform	Episcopal Conference of Malawi
First Merchant Bank of Malawi	FOSDEH – Social Forum for External Debt and Development	FUNDE- National Foundation for Development	Gates Foundation	Grail Centre, South Africa
Greenpeace International	GTZ Malawi	Hauser Centre, Harvard University	Human Rights Consultative committee, Malawi	IMF (International Monetary Fund)
Institute for Democracy in Africa (IDASA)	Institute of Development Studies at the University of Sussex, (IDS)	Institute of Social Studies, the Netherlands	InterAction, USA (alliance of U.S.-based international NGOs)	Irish Aid
Jesuit Centre for Theological Reflection (JCTR), Zambia	John F. Kennedy School of Government, Harvard University	Kungoni Cultural Centre, Malawi	Millennium Campaign	Ministry of Agriculture, Malawi
Ministry of Economic Planning and Development, Malawi	Movimiento Tzuk Kim-pop, Guatemala	NUIG (National University of Ireland, Galway)	Open Society Initiative for Southern Africa (OSISA)	Overseas Development Institute (ODI)
Oxfam India	Oxfam GB	Oxfam Novib	The Communications Clinic, Ireland	The Other Media, India
Trinity College Dublin	Trócaire	UCD (University College Dublin)	UNAIDS	Universidad Centroamericana, Jose Simeon Cañas (UCA)
University of Amsterdam	University of San Carlos Guatemala	Valid Nutrition	World Bank	

What was asked

Research participants were asked the same set of questions, with some provisos. There were some small variations in phrasing, explanations given and the order of questions asked. The majority of research participants were asked all the questions but in some cases the whole set of questions was not posed, due to difficulties of language or time. The full set of questions is listed below.

Looking to the next 10 years what do you see as the main (5 –10) existing and/or emerging trends affecting development that will become more and more influential and will frame development for those years? Follow-up questions include:

- From these issues, do you think there is a wild card? Something that we're uncertain how it will play out, but if it does, could impact the course of development quite profoundly and how we approach development. (Potentially can ask this as the second last question as well.)
- This year marks 5 years left for achieving the MDGs. Where do you see the MDGs fitting into/contributing to this context? Do you feel the MDGs are still relevant? Where next for the MDGs - will it be simply the extension of the deadline or will there be a new post-MDG architecture?
- In this context you have painted, where do you think INGOs fit in? How do you think they will shape or respond to these changes?

In the next 10 years INGOs will become increasingly irrelevant to development. Do you agree with this? Why/why not? Follow-up questions include:

- What should INGOs/faith-based organisations (FBOs) be doing to stay relevant? How should INGOs/FBOs be spending their time in the near future?
- One area where people say INGOs do have added value is around advocacy, what do you think? What role is there for them in advocacy? What role is there for INGOs in bringing about change in attitudes and behaviour?
- Which new kinds of partnerships, especially with Southern NGOs, will develop for INGOs?
- Do you see a different role for INGOs and FBOs in shaping and contributing to development? Do you think they bring different assets to the process? Or do you feel that they are inherently doing the same thing or at least reaching the same end point?

If INGOs had to do one thing in the next 10 years, what would you say it is?

Note on stylistic conventions and attribution

The fact that the research participants are quoted anonymously, as agreed, presents some significant stylistic and attribution challenges. The substance of this report rests on who said what, with the 'who' being highly significant due to their perceived position of influence. In removing the names of participants the weight and significance of different views is difficult to communicate.

In order to address this challenge, descriptor information is given where it will not compromise the identity of the research participant. This is done selectively on a case by case basis. Descriptors such as 'an academic from Southern Africa,' or 'a consultant based in Europe' give an understanding of the perspectives of the participant without identifying information.

To ensure anonymity when quoting we use a designation least likely to identify them. So for example, we refer to research participants being from 'Europe' when quoting, rather than specifying they are from Ireland, the UK or mainland Europe. When referring to people from NGOs, it is useful to specify whether they are from international or local NGOs. When quoting people from faith-based INGOs, we describe them as being from INGOs.

We use the terms 'North' and 'South,' as well as the designation 'developing world'. By North we broadly refer to the OECD countries and the continents of Europe and North America and countries such as New Zeland, Australia and Japan. South broadly refers to countries in the continents of Africa, Asia and Latin America. We recognise these terms are imprecise and where possible they are qualified.

When the report mentions 'What the research participants say', for the most part it is directly paraphrasing them, having grouped their individual comments according to subject matter. When quotation marks are used, this refers to a direct quote taken from a transcript.

How issues are grouped

When grouping issues together, the terminology does not always reflect that of the research participants, but we have tried to stay true to their meaning. For example, where our research participants spoke of 'the rising power of China' or 'the role of the BRICs' we have chosen to categorise these under the heading 'geopolitics'. When they spoke of issues of 'population' 'migration' and 'urbanisation,' we made the decision that these refer to 'demographic changes' and grouped them accordingly.

When research participants spoke of trends external to development, these were ranked and placed in Section 3. When they spoke of trends related to the development framework, they were addressed in Section 4.

Abbreviations

BINGO	Big International Non-governmental Organisation
BRIC	Brazil, Russia, India and China
CSO	Civil Society Organisation
DAC	Development Assistance Committee
EU	European Union
FBO	Faith-based Organisation
GDP	Gross Domestic Product
GNI	Gross National iIncome
ICT	Information and Communications Technology
IDS	Institute of Development Studies
IFI	International Financial Institution
ILO	International Labour Organisation
INGO	International Non-governmental Organisation
IPCC	Intergovernmental Panel on Climate Change
LDC	Least Developed Country
MDG	Millennium Development Goal
NGO	Non-governmental Organisation
NIC	National Intelligience Council
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
PRSP	Poverty Reduction Strategy Paper
UN	United Nations
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCC	United Nations Framework Convention on Climate Change
WTO	World Trade Organisation

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[5] Ibid.

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[9] Sumner (2011); United Nations Framework Convention on Climate Change (2007)

[10] National Intelligence Council (2007)

[11] Originally coined by a *Financial Times* journalist, the term BRIC has on occasion expanded into the BRIICs (to include Indonesia), the BRICKs (Korea) and the BRICS (South Africa).

[12] Humphrey and Messner (2006)

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[28] Soros (2007)

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[31] Rodrik (2003)

[32] Tax Justice Network (2010)

[33] Rodrik (2003)

[34] Overseas Development Institute (2007)

[35] Deininger and Byerlee (2011)

[36] UNDP (2010)

[37] Sumner (2010)

[38] ODI (2002)

[39] Vandemoortele (2009)

[40] World Resources Institute et al. (1999)

[41] By framework, we refer to the vision, values, and discourse which frame international development and the respective processes, agreements, policies and protocols that govern it.

[42] World Bank (2007)

[43] The OECD, the Organisation for Economic Cooperation in Development, was originally formed to administer the Marshall Plan in post-war Europe. Its members are almost entirely high income countries. Its Development Assistance Committee, the DAC, founded in 1960, concentrates on the role of international development cooperation and has recently been very involved in aid effectiveness.

[44] The Istanbul Principles, as agreed at the Open Forum's Global Assembly in Istanbul, 28-30 September 2010, are the foundation of the Open Forum's Draft *International Framework on CSO Development Effectivenes.*

[45] For a history of the ideas leading up to the MDGs see Hulme (2007).

[46] European Think Tank Group (2010)

[47] Manning (2009)

[48] See for example, Johan (2009); Easterly (2007)

[49] Hulme (2007)

[50] Trócaire (2009b)

[51] Grimm (2006)

[52] The term 'INGO' is difficult to define and covers a range of different development agencies outside the official aid sector. Some are involved in direct service delivery, others are predominantly partnership-based. They range in size from multi-million € agencies with thousands of staff, to small two country operations. Many older INGOs share a similar history, having grown out of Northern solidarity movements working with those living in poverty. What underpins the vast majority of development INGOs is a shared vision of civil society as a key actor in promoting human rights and development, however they interpret these concepts.

[53] Hulme and Edwards (1997)

[54] Lewis and Opoku-Mensah (2006)

[55] Shutt (2009)

[56] A major study on the role of Big International NGOs (BINGOs) in 2009 suggested there are differences between many organisations' mission statements, which are often vague, and how their staff implement and indeed interpret these on the ground (Shutt, 2009). The Carnegie Trust criticises 'a blurring of values' which it believes has arisen 'as organisations have sought growth as their primary objective' (Daly and Howell, 2010).

[57] Mowles (2007)

[58] Lewis and Opoku-Mensah (2006)

[59] See Shutt (2009), citing a number of sources

[60] Howell and Lind (2009)

[61] Ibid.

[62] In some cases this was done in the research participants' language (interviews were conducted in Spanish and Portuguese, as well as English) and the interviews subsequently translated. However in the majority of cases, the interviews were done in English, by one of two researchers.