AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

Innovation for impact

How Australian NGOs nurture and scale up new ideas

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About ACFID

The Australian Council for International Development (ACFID) is the peak body for Australian non-government organisations (NGOs) involved in international development and humanitarian action. Our vision is of a world where all people are free from extreme poverty, injustice and inequality and where the earth's finite resources are managed sustainably. Our purpose is to lead and unite our members in action for a just, equitable and sustainable world.

Founded in 1965, ACFID currently has 128 full members and 15 affiliates operating in more than 100 developing countries. The total revenue raised by ACFID's membership from all sources amounts to $1.525 billion (2013–14), $838 million of which is raised from over 1.5 million Australians (2013–14). ACFID's members range from large Australian multi-sectoral organisations that are linked to international federations of NGOs, to agencies with specialised thematic expertise, and smaller community based groups, with a mix of secular and faith-based organisations.

ACFID members must comply with the ACFID Code of Conduct, a voluntary, self-regulatory sector code of good practice that aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations. Covering over 50 principles and 150 obligations, the Code sets standards for program effectiveness, fundraising, governance and financial reporting. Compliance includes annual reporting and checks. The Code has an independent complaints handling process.

Further information can be found at www.acfid.asn.au.

Australian Government

Department of Foreign Affairs and Trade

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ACFID

Foreword

Innovation. The word pops up everywhere whether in government, business or NGOs, and the aid and development sector has not been immune. While we risk innovation inundation, it is with good reason – innovation offers an opportunity for new ideas, approaches and solutions to tackle development challenges and support better outcomes for people living in poverty.

ACFID has prioritised work on innovation. Our National Conference in October 2015 explored the role of innovation in international development and humanitarian response. We looked at how other sectors innovate and what can be learnt from them, what innovation currently looks like in the Australian development sector and internationally and how innovation can be tailored, focused and enhanced.

The overarching message from conference speakers and discussion was that - while the need for innovation is great - it should not be the goal in itself. The ultimate goal must be impact. Innovation is no silver bullet and it must be tempered with a focus on tried and tested approaches. Policy makers and practitioners alike must assess the value of an idea, rather than how it is labelled.

ACFID commissioned this research paper to feed into and build on conversations at our conference so as to further develop a common understanding of the role of innovation within the ANGO sector and what we can do to identify, nurture and embed innovation.

We have found that many ANGOs are already innovative. Case studies throughout this report illustrate ANGOs providing affordable floating biodigesters for flood affected communities in Cambodia; modelling alternative health programs to combat non-communicable diseases in Vanuatu; utilising development impact bonds to fund an eye hospital in Cameroon; and influencing the ten largest global food companies to improve their supply chains.

We also found there is scope to enhance innovation within ANGOs and across the sector through developing a common understanding of the role of innovation and by driving a more deliberate and systematic approach to innovation. Many ANGOs have the organisational culture and leadership in place to support innovation; however, the impact of innovation could be enhanced through a greater focus on strategy, resourcing, and monitoring and evaluation.

Innovation is driven by leadership and culture, strategy and resources, unusual collaborations, learning and evidence, and investment in people. ACFID will draw on the findings and recommendations of this research to develop a strategic approach to driving innovation in the ANGO sector, in collaboration with our member organisations, the Australian Government, the Research for Development Impact Network and other development actors.

Marc Purcell
Executive Director

Executive summary

Background

Australian NGOs (ANGOs) have long been involved in innovation in international development and humanitarian response. This has included new ideas, products, services and paradigms to improve results and deliver outcomes for people living in poverty.

In recent years, the quest to drive innovation has received greater prominence across all sectors, and the international development sector has not been immune from this. The growing recognition of the complex nature of development challenges; the tightening of development budgets; and an increasing focus on cross-sector collaboration has seen donors and development actors increasingly talk about, look for and fund innovative ideas, programs and practice. Australia is playing a proactive role in this drive for innovation, with the Government's aid and development policy incorporating a focus on innovation and establishing an *InnovationXchange.*

Purpose

In response to a focus on and the potential for innovation within international development and humanitarian response, ACFID commissioned this paper to explore how the ANGO sector can identify, nurture and embed innovation.

The paper examines what innovation is and why it is important. It explores the current climate for innovation within ANGOs and the internal and external factors helping and hindering innovation. Finally, the paper outlines recommendations for ANGOs, ACFID, the Australian Government and all development actors to identify, nurture and embed innovation.

The paper both supports and builds on discussions emanating from ACFID's National Conference in October 2015, which had as its central theme, 'Innovation and Development — Learn, Adapt, Change, Evolve'. ACFID and its member organisations will use the findings and recommendations of this paper to develop a strategic approach to driving innovation for impact.

Methodology

ACFID commissioned James Whitehead, Oxfam Great Britain's Global Innovation Adviser, and a team from Oxfam Australia to lead this research, working in partnership with Inventium, a training and consultancy firm focused on innovation. ACFID's Development Practice Committee acted as the reference group for the research.

A literature review was undertaken to explore understandings, approaches and perspectives on innovation in international development and humanitarian response. This was followed by primary research with ACFID member NGOs including an 'innovation healthcheck' survey that sought to ascertain the extent to which ANGOs possess the organisational characteristics associated with successful innovation, and then a case study analysis of innovation within ANGOS and the factors helping and hindering this. The research results were then explored and built on through a workshop with members of ACFID's Development Practice Committee and interested member NGOs, and discussions at the ACFID National Conference.

Given the limited scope and time constraints of this research, it should be seen as an introductory view of how the sector is placed on innovation, rather than a comprehensive analysis.

Findings

Defining innovation

The research found that definitions of innovation vary, and individuals and organisations understand innovation to mean different things. However, for the most part, definitions of innovation contain two elements: something that is new or different; and something that adds value. Innovation takes many forms and can be understood as a process, an output or as a solution to a social problem. It can be both incremental or disruptive. For most ANGOs, innovation is aimed at improving opportunities and outcomes for people in poor communities. This paper, therefore, frames innovation around 'social innovation' where the value of innovation is gauged by its contribution to achieving social outcomes and impact.

Perceived role of innovation

Despite this need, the research found varying views amongst ANGOs on the role of innovation. While a large number of ANGO staff viewed innovation as critical to international development and humanitarian response, there were some who saw it as faddish. Some resistance to innovation is natural given a certain level of change fatigue within the sector. However, other well-founded concerns need to be addressed if innovation is to become a greater point of focus and collaboration across the sector. Such concerns include that good practice and wisdom from the past will be under-valued, and that innovation is a 'Trojan horse', an ideological preference for seeking solutions from business over not-for-profit organisations. If ANGO staff are to be taken along on the innovation journey, they need to be assured that it is not just innovation for innovation's sake and that new ideas will build on lessons learned from the past.

Why innovate?

Given the increasing rate of change affecting many aspects of our world, the research found that the need to innovate is becoming increasingly apparent. Within the international development sector itself, the need to innovate is being driven by 'megatrends' such as climate change and inequality; new technology; changes in international development architecture; and the arrival of new development actors. To this end, the organisations that are best placed to thrive are those that are highly agile and connected, and those that seek to be disruptors rather than remaining trapped in 'business as usual' mind-sets.

Do ANGOs foster innovation?

The research found that innovation is occurring within ANGOs although it might not always be defined as such and many ANGOs are at the start of their innovation journey. The research found that ANGOs generally have the right climate for being highly innovative organisations: innovation is generally valued by staff within ANGOs, ANGO staff feel a degree of freedom to trial new ideas, and ANGO leadership is supportive of innovative concepts.

However, the research also found a lack of intention around innovation within ANGOs. Research participants emphasised that innovation was often haphazard, rather than being supported by clear communications on the role of innovation or by strategy and process to align innovation with broader organisational strategy and ensure structure throughout the innovation lifecycle. In addition, there is often a lack of dedicated funding, time and investment in building innovation capability which means that ANGOs may not be getting the results through innovation that they could be. To compound these factors, a lack of monitoring and evaluation of innovation has made it difficult for ANGO staff to put forward a solid business case for further investment in innovation, and to understand its impact.

What is enabling and blocking innovation within ANGOs and the sector?

The research identified common enablers and blockers of innovation, considering both internal and external factors, as summarised in the figure below. While these factors represent common themes, it should be noted that enablers and blockers of innovation are often contextual, and may be unique to particular ANGOs working in a specific context or thematic area. In this respect, ANGOs need to undertake their own 'innovation journey' in order to determine which enablers of innovation best suit their existing strategies, policies, procedures and organisational culture. There was, however, one outstanding theme across the research, that of collaboration. The research found that relationships between a range of different actors including local communities, government, universities, business and philanthropists can be critical in finding new solutions to unmet needs.

Enablers and blockers of innovation within ANGOs and the sector

Enablers

Internal

- understanding of local context
- supportive organisational culture
- strong staff engagement
- committed leadership
- taking risks and accepting failure
- adaptive capability
- robust evidence
- willingness to share and collaborate

External

- innovation agendas of Australian and multilateral/bilateral donors
- funding mechanisms which give the space to pilot, test and scale up innovation
- ecosystem that supports innovation

Blockers

Internal

- difficult developing country contexts
- lack of innovative intention
- inadequate resourcing—people, time, funds
- slow decision making
- risk avoidance
- rigid bureaucratic procedures
- lack of evidence
- reluctance to engage with more unusual allies

External

- over reliance on innovation funds
- donor conservativism

Recommendations

Based on the findings of this research, the following recommendations are made to ANGOs, ACFID, the Australian Government and other development actors on how innovative solutions can be enabled and scaled to create lasting change for and with people in poverty.

Recommended framing of innovation

1. Frame the innovation discourse for international development around 'social innovation' where the value of innovation is gauged by its contribution to achieving social outcomes and positive impact.

2. Define social innovation as encompassing both incremental and disruptive innovation, and ranging from specific product innovation through to wider paradigm innovation.

3. Ensure that social innovation is not seen as a 'silver bullet'. Complex, deep-rooted problems of poverty and injustice rarely have simple solutions. It is more likely that combinations of innovations combined with established good practice across the sector will achieve change at scale.

Recommendations for all actors

4. Work together to develop richer 'ecosystems' for achieving social change, and to examine where the current and latent capabilities are within the wider system and how to strengthen connections in a wider range of actors.

5. Greater awareness is required by funders such as foundations, trusts, businesses and others, of where they fit in the wider ecosystem. For example, some may support initial stage ventures, and others can take those successful ventures to the next stage with increasingly blended offerings such as grants combined with business mentors or training.

6. Identify in what areas Australian actors together can develop a comparative advantage on which to innovate and lead internationally; for example in development in the Pacific, in ethical value chains for extractives, or in climate change adaptation for coastal communities.

Recommendations for ANGOs

7. Encourage adoption of innovation processes in order to drive deliberate, innovation success.

8. Unleash untapped employee potential by equipping staff with the right skills, knowledge and tools to increase divergent thinking and creative problem solving.

9. Build a culture that fosters innovation in the longer term return on investment in innovation.

10. Experiment with a wider range of strategies for promoting innovation (see Annex 1) from crowd sourcing ideas through to running social impact incubators in developing countries; strive to build innovative and adaptive capacity in local institutions, with local partners and with local communities.

11. Ramp up engagement of 'unusual suspects' and combine their capabilities with existing connections to create far greater value, from mobile network operators to southern think tanks, from journalists to venture capitalists, from sports stars to market research agencies.

Recommendations for ACFID

12. Develop ways to find alternative solutions to complex problems that are interconnected and impossible to solve without creating new or different problems.

13. Create physical and on-line spaces for collaboration and exchange between ANGOs and external stakeholders, e.g. academia, chambers of commerce, other industry bodies, shared value projects, as well as between smaller members and larger members.

14. Work closely with senior ANGO leaders and alternative thinkers on creating new business models, and provide ACFID-accredited training of trainers in human-centred and agile design.

15. Harvest and share with members' relevant case studies and learning on innovation drawn from the work of ANGOs and the wider international development sector.

16. Establish a best practice innovation process; e.g. adopting or adapting UNICEF's Principles for Innovation and Technology in Development into ACFID's Code of Conduct (see Annex 1)

Recommendations for the Australian Government

17. Commission research into the extent to which existing funding mechanisms help or hinder innovative development solutions in both ANGOs and private contractors.

18. Develop a funding portfolio that reflects a range of risk appetites where some have tolerance of failing fast and allow for a diversity of approaches rather than one-size-fits-all solutions; supporting market-based solutions at the bottom of the pyramid on one hand and adaptive social movements on the other.

19. Play the lead role in ecosystem mapping to identify where greatest support, connections and investment are needed to develop a thriving social innovation ecosystem for international development.

20. Collaborate across different organisational types: creating platforms for exchange and collaboration; convening diverse stakeholders on critical challenges in the Pacific; commissioning research in areas of common interest; disseminating findings and creating enabling funding mechanisms.

21. Adopt a nuanced approach to understanding the circumstances under which business is provided with an incentive to innovate when addressing the needs of poor people.

Introduction

Innovation for impact: How Australian NGOs nurture and scale up new ideas

Complex and changing development problems require NGOs to think and act innovatively. This does not mean that current good practice should be ignored, but where things are not working or situations change, NGOs need to strive to find new and creative ways to create greater, lasting impact for – and with – people in poverty.

About this paper

The purpose of the paper is to understand where the ANGO development sector is currently positioned in regard to innovation and explore how to further identify, nurture and embed innovation.

The paper examines what innovation is and why it is important, and explores how innovation is presently understood within the ANGO sector. It investigates how ANGO staff themselves view their organisations' ability to be innovative and then identifies both internal and external factors that are helping and hindering innovation. Finally, the paper outlines recommendations for ANGOs, ACFID and the Australian Government.

The paper supports and builds on discussions emanating from the ACFID National Conference in October 2015, which had as its central theme, 'Innovation and Development – Learn, Adapt, Change, Evolve'. The findings and recommendations of this paper will be used to support ACFID and its member organisations to identify, nurture and share innovative and scalable solutions to the challenges facing aid and development.

Methodology

The information gathered for the research was primarily sourced from:

- A literature review to explore understandings, approaches and perspectives on innovation in international development and humanitarian policy and practice;

- The ANGO Innovation Healthcheck Report (Inventium, 2015a) drawing from two surveys conducted by Inventium, a training and consultancy firm focusing on innovation:

  - A quantitative survey was sent out to all ACFID members to circulate within their organisations and 199 people responded. This survey sought individuals' views on innovation within their organisation based on 1–5 ratings in response to a series of questions. This data formed the basis for Inventium's 'innovation healthcheck' mapping of where the sector stood in comparison to a best practice innovation framework.

  - A qualitative survey targeted key individuals within organisations who responded to ACFID's call for case studies (10 received in total), and sought more in-depth text based responses to questions that explored how innovation is managed within their organisations. The case studies ranged from specific local programs to global campaigns, involved diverse stakeholders including local communities, government ministries and academic institutions, and used different business models from traditional donor funding to development impact bonds. Fuller case studies on the work of ANGOs mentioned in this paper can be found on organisational websites, which are listed in Annex 3.

- A workshop with ACFID participants, including members of the ACFID Development Practice Committee and representatives from ACFID member organisations that responded to the call for innovation case studies.

Research constraints

The information gathered has informed the discussion around the extent of innovation within the ANGO international development sector. However, given the budget and time constraints for this research, this is an introductory view of how the sector is placed. Inventium adapted its survey methodology, which is mainly used to analyse the private sector, to take into account issues specific to the ANGO development sector. However, more work could be done to draw out the different practices and organisational cultures within the sector that will add to our understanding of how innovation is conceived and implemented amongst ANGOs.

What do we mean by innovation?

Defining innovation

Definitions of innovation vary and people understand innovation to mean different things. In the world of business, innovation often refers to a new product design which, when taken to the market, will lead to increased profitability or increased market share. In engineering, it might mean a new invention to make life easier; and medical researchers talk about new technologies that improve healthcare. Innovation in international development has been described as being 'the conjunction of creativity, need and the ambition to make a difference in an unequal world' (Steed, 2010). This suggests that the way in which an organisation understands and approaches innovation is often dependent on agency-specific factors including the organisational culture, mission, and vision, as well as skills capacity, experience, and resource availability (Ramalingam, Scriven & Foley, 2009; Gower et al., 2014). However, for the most part, definitions of innovation contain two elements: 1) something that is new or different, and 2) something that adds value (Inventium, 2015a).

More specifically, innovation can be understood as a process which moves through a number of discrete stages including generating ideas, developing prototypes, testing, adapting, scaling, etc. There is a consensus in the literature that innovation is an active process, and that innovations do not tend to develop in a structured linear fashion, but rather have a dynamic and unpredictable nature (Ramalingam, Scriven & Foley, 2009; Murray, Caulier-Grice & Mulgan, 2007).

Innovation can also be understood in output terms such as a new or improved product, process, position or paradigm. The outputs themselves can be further categorised according to the level of change they bring about, i.e. as transactional, incremental or transformational innovations. Finally, innovation can be defined according to the type of problem it seeks to solve and who will benefit from the solution, e.g. innovation as a novel solution to a social problem where the value accrues to society as a whole rather than private individuals. Each of these ways of understanding innovation is explored in more detail below.

Innovation as a process

Diagram 1 provides a framework for understanding how innovation takes place and shows innovation progressing through the following key stages: i) defining or recognising a problem, challenge or opportunity; ii) inventing or finding potential solutions or ideas and creating plausible options with processes and plans; iii) implementing, testing, adapting, piloting; and then iv) scaling up or diffusing. In some instances, an innovation may skip a stage, or repeat multiple stages where required. In many cases, innovation starts by doing things, testing them and then adapting and adjusting them in the light of experience. Testing, learning and adapting are critical components of the process from idea to implementation, and can determine whether a concept will progress as an innovation (Steed, 2010).

Diagram 1: Stages of Innovation
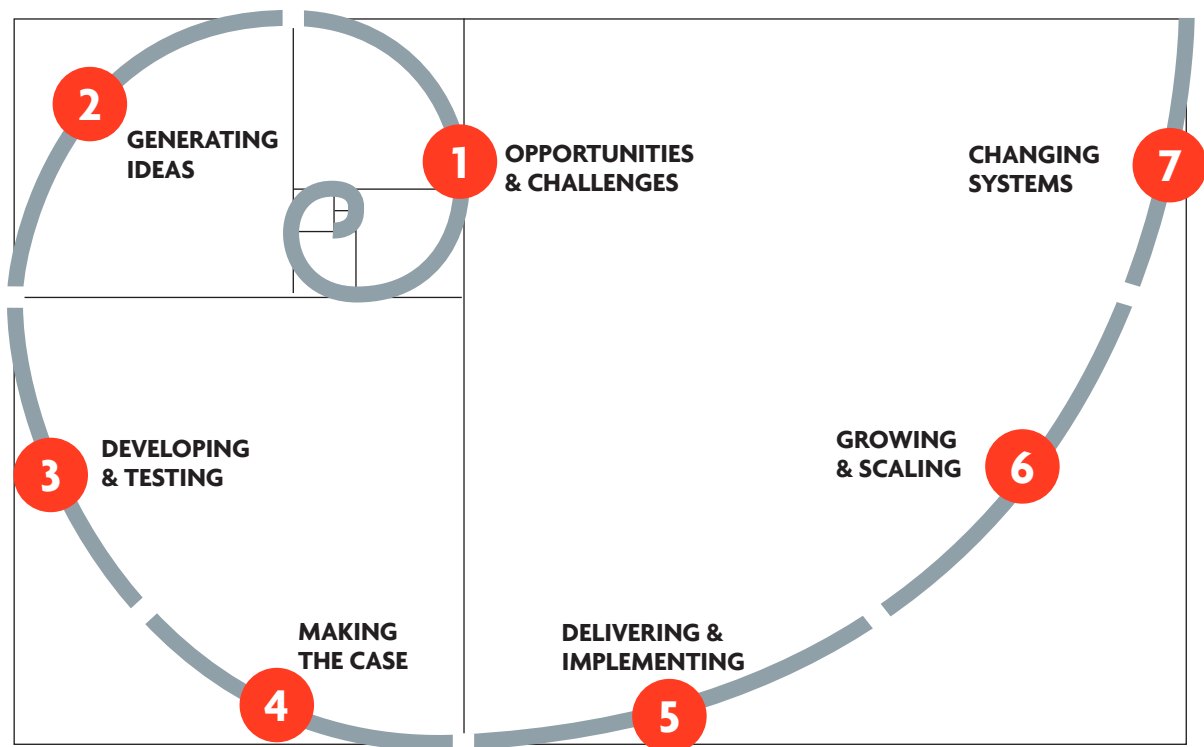
(Caulier-Grice, Mulgan & Murray, 2010)

Innovation as an output

Frances and Bessant's (2005) 'Four Ps' offers a useful structure for conceptualising different types or outputs of innovation.

- **Product innovation:** introduction or improvement of a product or service;
- **Process innovation:** modifications of the ways in which products are created or delivered;
- **Position innovation:** changes to the context in which the product is framed;
- **Paradigm innovation:** redefinition of the dominant models, theories and methods adhered to by an organisation.

Levels of change resulting from innovation

While the Four Ps above describe different types of innovation, Ramalingam, Scriven & Foley (2009) discuss the levels of change that can result from innovation.

- **Transactional innovations:** driven by necessity and designed for a particular context and purpose; as such, there may not be scope for the wider dissemination of these innovations;
- **Incremental innovations:** scalable modifications applied to existing processes in order to enhance their efficiency or effectiveness;
- **Transformational innovations:** long-term strategic developments that are designed to radically alter organisational processes and facilitate new operational methods.

It should be noted that many innovations are in fact a cluster of innovations and are innovative at more than one level, as can be seen in the Caritas and Oxfam case studies below.

Innovation as social change

Motivations to innovate differ. However, for most NGOs, innovation is aimed at improving incomes and opportunities for poor people. This distinction has led to the term, 'social innovation', which Phills, Deiglmeier & Miller (2008) define as 'a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions, and for which the value created accrues primarily to society as a whole rather than private individuals'. A social innovation 'can be a product, production, process, or technology (much like innovation in general), but it can also be a principle, an idea, a piece of legislation, a social movement, an intervention, or some combination of them' (Phills, Deiglmeier & Miller, 2008). Or, more succinctly, 'new solutions that meet unmet needs and improve people's lives' (Phills, Deiglmeier and Miller, 2008).

Case study: Singing our Way to Safety, Caritas Australia

This program provides an example of an incremental, process innovation in which an old age tradition – using singing to convey messages – has been used in a resource-poor setting and resulted in distinct, scalable improvements in disaster preparedness.

Development problem: The Solomon Islands and Vanuatu are prone to a range of natural disasters including cyclones, floods, earthquakes and tsunamis.

Innovation: Caritas Australia's 'Singing our Way to Safety' uses well known nursery rhymes and other familiar tunes to promote easily remembered life-saving messages for children about how to respond in an emergency.

Enablers: This is a grass-roots community development project created by local staff from the Caritas Australia–Solomon Islands office. Its low cost, low technology, peer to peer education approach ensures that the program is easily transferrable and scalable to suit the geographically dispersed communities of the Pacific.

Scale up: Following the successful implementation of the project in the Solomon Islands, Caritas has now replicated the program in Vanuatu and Tonga, initiating a community of practice and a support network amongst Early Childhood Education teachers across the Pacific.

Impact: This program has increased community resilience by educating teachers, children, their parents and neighbours about the type of risks present in their community and how to stay safe during a disaster. In 2014, the program was awarded the UNISDR Pacific Innovation and Leadership Award for Resilience.

Richard Wainright/Caritas

How do ANGOs perceive innovation?

ANGO staff engaged in this research felt that innovation was critical to their work and the international development sector overall. One staff member noted that *'we are collectively trying to address some of the world's most complex and intractable development challenges, and by definition this requires innovation in order to achieve real breakthroughs'.* Some felt that innovation is born from resource scarcity and building competitive advantage, whilst others felt that it is important for increasing impact and solving development challenges.

While there was strong support for the role of innovation, some ANGO staff raised concerns, seeing innovation as just a 'buzzword', a 'fad', and that it will soon be replaced by something equally 'new and shiny' (Inventium, 2015a). Those reporting this view touch on important issues that need to be addressed if innovation is to become a point of collaboration across the sector. These concerns include that good practice and wisdom from the past will be under-valued; that what is new will be valued more highly than what is effective; that big or radical shifts will be more highly valued than incremental improvements; that innovation is a 'Trojan horse', an ideological preference for seeking solutions from business above not-for-profits; and that innovation will be hailed as a silver bullet that fails to address the deep-rooted, complex causes of poverty.

Case study: Behind the Brands, Oxfam Australia

This campaign provides an example of transformational, paradigm innovation that is changing the way food companies do business.

Development problem: The world produces more food than at any time in history. Yet one in eight people go to bed hungry every night. The world's largest food and beverage companies have enormous influence. Their policies drive how food is produced, the way resources are used and the extent to which the benefits trickle down to the marginalised millions at the bottom of their supply chains.

Innovation: Oxfam's Behind the Brands campaign aims to provide people who buy and enjoy these products with the information that they need to hold the world's 10 largest food and beverage companies to account for what happens in their supply chains. Each year, Oxfam publishes a scorecard rating the companies on their work in developing countries, based on their use of land and water; treatment of women, farmers and workers; commitment to tackling climate change; and overall transparency.

Impact: All of the Big 10 have published new policies or assessments relating to the issues covered within the campaign. General Mills and PepsiCo have seen the biggest overall increases in score in the last year (followed by Mars and Unilever) reflecting new commitments on climate change, water and land, as well as improved transparency of their supply chains. Coca-Cola and Nestle pledged zero tolerance for land grabs. Kellogg's and General Mills committed to tackling climate change.

Summary: Understanding innovation

It is difficult to pin down exactly what warrants being called 'innovation'. Innovation is subjective and often in the eye of the beholder, where *'one person's innovative is another person's ordinary'* (ACFID Workshop, 2015). Innovation can be large or small and take many forms, whether a product, process, position or paradigm. It can involve a complete change in the way things are done, or achieve smaller, incremental changes. Innovation is often associated with the new and shiny, but just because things are new does not mean they are innovative. Innovation occurs when new ideas contribute to change that adds value. Within the ANGO sector, the majority of staff view innovation as critical to international development and humanitarian response. However, some expressed concern that innovation is faddish and could be hailed as a silver bullet that fails to address the deep-rooted complex causes of poverty. For the purposes of this paper, and to help address such concerns, innovation is framed around 'social innovation' where the value of innovation is gauged by its contribution to achieving social outcomes and impact and can be both incremental or disruptive.

Why innovate?

Megatrends and disruptive changes

A number of 'megatrends' (Bond, 2015) and 'disruptive changes' (ACFID, 2014) are creating new opportunities and challenges at the global and national level which impact on all sectors of society, including the aid and development sector.

- Climate change, natural resource scarcity and biodiversity loss are all symptomatic of humans **overstepping planetary boundaries** and threaten the survival of millions of people.

- The **inequality gap is growing**, which not only affects income inequality, but also impacts on discrimination, marginalisation and rights, particularly of women.

- **Demographic shifts** including an aging population, the youth bulge and increasing urbanisation and migration all have the potential to drive economic growth, but with this come the risks of social marginalisation, conflict and exploitation.

- **Economic and geopolitical power shifts** from West and North to East and South mean that countries such as Brazil, India and China are increasingly funding developing countries, reshaping the nature of aid. At the same time, some growing political powers are restricting the space for civil society.

- **New technology.** IT platforms allowing direct donor-beneficiary funding are changing the way aid is delivered, and social media is fundamentally changing the way that governments, not-for-profit organisations, companies, universities, and individuals interact with each other and with their communities.

- **Changes in the international development architecture.** Globally, Overseas Development Assistance (ODA) is being surpassed by new forms of funding such as domestic resource mobilisation, remittances and private investment.

- There is a sense that the 'golden age of NGOs' (Agg, 2006) is over, with trust, credibility and **public support for aid and development waning**. The 2015 Edelman Trust Barometer, which is based on a survey of 33,000 people in 27 countries, reported that NGOs saw the largest overall decline in trust, compared with government, business and the media. (However, the level of trust of NGOs is still higher overall.)

The arrival of disruptors

Globalisation and increased connectivity through improvements in communications and technology have paved the way for new actors to play a greater role in the international development sector; this includes on-line campaigning organisations, the private sector, social enterprises, academic institutions and civil society. What's more, the lines are blurring between these different organisational forms. For example, Bangladesh-based BRAC, one of the largest international NGOs in the world, includes a substantial portfolio of social enterprises that sell products and services, undertake research, and it now has fundraising offices in the UK and the US. These emerging actors may be able to disrupt the existing development system and displace long-standing actors, including ANGOs, in the same way that other sectors such as publishing houses have been disrupted in recent years by online publishing.

The moral imperative

There is a widening gap between the scale of 'wicked' problems, those that defy simple definition, are interconnected, and impossible to resolve without creating new or different problems, and the solutions on offer (Murray, Caulier-Grice & Mulgan, 2010). There is a clear imperative for ANGOs to innovate given the rate of change and increasing complexity in the international development sector. Innovation can benefit local communities by increasing the effectiveness of existing programs in spite of shrinking resources.

Australian strategic environment

The Australian strategic environment has been affected by these global trends as well as by domestic policy drivers. Australia's international development program has been significantly reduced and its geographic and thematic focus reoriented in recent years. The private sector has been identified as a key partner of the Australian Government in its efforts to 'promote prosperity, reduce poverty and enhance stability with a strengthened focus on our region, the Indo–Pacific' (DFAT, 2014). To achieve its purpose, the Australian Government is investing both in leveraging the role played by the private sector in development, and in various innovation initiatives such as DFAT's new InnovationXChange, the Pacific Humanitarian Innovation Challenge and the Global Innovation Fund.

Summary: Why innovate?

Given the increasing rate of change affecting so many aspects of our world and the international development sector itself, the need for innovation is becoming more apparent. In this environment, the organisations that are best placed to thrive are those that are highly connected and agile, and those that seek to be disruptors rather than remaining trapped in business-as-usual mind-sets (Whitehead, 2015). The business, program, fundraising and citizen engagement models that were effective in addressing challenges in the 1990s and early 2000s are unlikely to appropriately address the complex challenges of the coming two decades. For international development practitioners, if there are better ways then there is a moral imperative to seek them out. With the refrain of *'innovate or die'* (ACFID Workshop, 2015), it is clear that the biggest risk for ANGOs could be to not innovate.

Do Australian NGOs foster innovation?

The Inventium survey sought to ascertain whether ANGOs possess the organisational characteristics associated with successful innovation. The Inventium Innovation Framework (see Diagram 2) shows three key areas that organisations should focus on in order to maximise their return on innovation:

- Structure

- Leadership

- People.

Vertically, the framework represents three levels of innovation maturity across these three innovation pillars:

- Foundation

- Graduation

- Optimisation.

Taken together, there are nine factors that contribute to best practice innovation, each with its own focus and set of objectives:

- Process

- Climate

- Capability

- Resources

- Strategy

- Roles

- Measurement

- Communication

- Positioning.

Diagram 2 provides the overall results of the ANGO 'healthcheck' against this Innovation Framework, using a six-point scale from very high to very low to rate the ANGO sector against a best practice approach to innovation. The following section provides further analysis and draws on specific comments from research participants.

Diagram 2: Inventium Innovation Framework with ACFID member survey results

	Measurement (Low)	Communication (Below average)	Positioning (Below average)
Optimisation			
Graduation	Resources (Low)	Strategy (Low)	Roles (Low)
Foundation	Process (Below average)	Climate (Above average)	Capability (Below average)
	Structure	Leadership	People

RESULTS SUMMARY: HEAT MAP

inventium

Diagram 2: Inventium Innovation Framework with ACFID member survey results *(continued)*

Very High

The results suggest that the sector's performance in this area is in line with a best practice approach to innovation. You should keep up what you are doing and ensure the sector's initiatives continue to build on your success.

High

The results indicate that while the sector showed strong performance in this area, there is still some room for improvement. You should use this report to help identify how you might reach a best practice level of performance.

Above Average

The results indicate that the sector is on its way to having strong performance in this area. You should make sure that your innovation practices are embedded across all areas of your organisation to reach a higher level of performance.

Below Average

The results suggest that although the sector has an adequate level of performance in this area, there are also some performance gaps or areas for improvement which should be addressed.

Low

The results suggest that the sector has some significant performance gaps, and therefore initiatives should target any deficiencies in this area. Use this report to help identify and address any shortcomings.

Very Low

The results indicate that this is an area that requires critical attention. This is a marker of a very significant performance gap for the sector achieving better results through innovation.

RESULTS SUMMARY: LEGEND

The heat map on the next page presents an overview of the ANGO sector's performance against the nine areas of Inventium's Innovation Framework as taken from the quantitative survey results. Above is a brief description of these results.

Description of the nine key areas of innovation used in the Inventium Heatmap

Measurement

The best-practice approach to measuring innovation is to assess a) innovation inputs, such as the investment in innovation training or seed funding; b) innovation outputs, such as program results; and c) metrics that moderate the relationship between inputs and outputs, such as any influencing environmental factors.

Communication

It is important that everyone in your organisation is on the same page as to why innovation is important and even more fundamentally, what it even means. Leaders need to ensure that they are clear and consistent with the messages they are sending to the organisation around innovation to direct people's energy most effectively.

Positioning

Positioning refers to how effectively you have positioned your organisation and your people as leaders of innovation within your industry and to the wider community. Positioning activities can include an organisation's exposure at conferences and other events, within the media, and through other communication channels.

Resources

For innovation to be successful, it is essential that leaders provide employees with the time and funding to explore new ideas and creative solutions to problems or opportunities. By having realistic deadlines and setting aside a budget for innovation that is protected even in times of crisis, an organisation can ensure that innovation is resourced for success.

Strategy

It is key to have an innovation strategy that is aligned to the broader organisational strategy, one that strikes a balance between improving existing products, services and processes; and incremental innovation, as well as generating more disruptive forms of innovation.

Roles

To be an innovative organisation, innovation must be integrated into employees' roles; for example, providing employees with recognition for innovative behaviour, specifying innovation as part of job descriptions, and measuring performance against this indicator.

Process

An effective innovation process provides structure throughout an innovation project lifecycle, from the identification of a problem or opportunity, to finding the right people to solve the problem and generate ideas, experimenting with ideas, and then implementing these ideas quickly.

Climate

At the leadership level, there should be support for innovative behaviour and leaders should lead by example and take risks to implement progressive ideas. At the organisation level, a climate for innovation is characterised as being an energising place to work, and likely to have structures in place to encourage cross-departmental collaboration and the cross-pollination of ideas.

Capability

Innovation capability involves thinking creatively by linking seemingly unrelated concepts, thinking of ideas that challenge the status quo, and harnessing intuition when making decisions. Involving external people such as donors and beneficiaries when gathering information and testing is also an important aspect of capability, as is the ability to experiment and prototype these ideas.

Findings

The healthcheck against the Innovation Framework identified that most participating ANGOs are at the start of their innovation journey. This means that although ANGOs have the right climate to become highly innovative organisations, there a range of factors that need to be addressed to embed a best practice approach to innovation.

LEADERSHIP: Communication, Strategy, Climate

Communication gap

The innovation healthcheck found a lack of clear communication on innovation within ANGOs and across the sector. Inventium's Innovation Framework outlines that it is important that everyone in an organisation is 'on the same page' around why innovation is important and even more fundamentally, what it even means. Leaders need to ensure that they are clear and consistent with the messages they are sending to the organisation around innovation, to direct people's energy most effectively.

Currently, there is no agreed understanding of innovation across the ANGO sector and many organisations themselves do not have a clear and precise definition: *'How we define innovation is an ongoing discussion … we don't have a defined innovation strategy or process for the agency'* (ANGO staff member, 2015). The survey found that the greatest proportion of respondents associated innovation with technology, others identified it with partnerships, and yet others with continuous improvement.

ANGO staff expressed concern that an absence of shared understanding made it difficult for ANGOs to engage with others outside the sector in a meaningful dialogue around innovation. They also felt that without a clear definition, there may be innovation being undertaken, going by other names such as 'increasing impact', 'valuing partnership', or 'improving quality' and is therefore not being identified or valued as innovation.

Lack of strategy

While the research found that much innovation is taking place, ANGOs scored low in regard to innovation strategy: *'Whilst there is support for the concept of innovation, there is still the need to provide an enabling environment for innovation to be properly supported'* (ANGO staff member, 2015). The Innovation Framework outlines the importance of having an innovation strategy in place, one that is aligned to broader organisational strategy and strikes a balance between incremental innovation and generating more disruptive forms of innovation. Many respondents thought that innovation was not being done intentionally and was often haphazard, rather than being driven by deliberate strategy. These findings were confirmed by comments from workshop participants who agreed that while ANGOs were successful at generating, trialling and implementing new ideas, a lack of strategy meant that ANGOs were less successful at growing and scaling up those ideas.

Conducive climate

The innovation healthcheck found that ANGOs have an organisational climate that is conducive to innovation, creativity and thinking differently, with ANGOs scoring positively in this regard. Innovation is valued, ANGO staff feel a degree of freedom to trial new ideas, and leadership is supportive of innovative behaviour. Many respondents felt that their organisations encourage employees to be innovative through rewards and recognition from senior leaders. The research also found that ANGOs encourage cross-departmental and external collaboration and the cross-pollination of ideas.

'Some of our most effectively and timely innovation comes from either partnering with external parties, or allowing internal teams some kind of exceptional status that allows them to move more freely.'

'This [partnership] approach often features long-term, strong and open relationships between organisations, within which risk can be tolerated, mistakes can be made and discussed, and thereby lessons can be learned.'

The CBM–World Vision case study (below) is a good example of collaboration where social innovation is having impact because of an effective alliance between a smaller niche organisation with knowledge in disability and a bigger organisation with the reach and contacts. Respondents felt that these types of partnerships help them share resources in the form of time, funding, experience and expertise. Respondents suggested that risk aversion

plays a major role in how their organisations innovate, indicating that collaborations might be taking place to hedge risk. However, it was also felt by some that their organisation had a low tolerance for risk, which stifled innovation.

Case study: Inclusive Rural Integrated Water Sanitation and Hygiene (WASH) Sri Lanka, World Vision–CBM

This project combines the skills and strengths of two Australian NGOs for innovative outcomes.

Development problem: To design water and sanitation solutions that can be accessed by all regions where there is a high number of people with disabilities from the 30-year civil war.

Innovation: The development of innovative baseline tools to measure disability which can be cross cut with a range of other household data for in-depth analysis, and to inform project design and responses.

Enabler: World Vision's community development capacity and long term presence in this region enables community trust and buy in, and enhances capacity to work with government stakeholders. This has been strongly enhanced by the disability-inclusive development expertise of CBM Australia, and the research experience of the Nossal Institute.

Scale up: The baseline tools have been used for sister WVA–CBM WASH projects in Zimbabwe and PNG.

Impact: The data has yielded interesting insights into the degree of functional limitation that may lead to a different access to, and use of, water and sanitation by people with disabilities within households. The learning from the baseline analysis will inform not only the WASH project, but many projects around disability in the region for years to come.

World Vision

STRUCTURE: Process, Resources, Measurement

Not so intentional innovation

The innovation healthcheck found room for improvement in regard to ANGOs' innovation process. The Innovation Framework shows that effective innovation process provides structure through an innovation project lifecycle, from the identification of a problem or opportunity, to finding the right people to solve the program and generate ideas, experimenting with ideas, and then implementing these ideas quickly. The survey found that there is often a lack of intentional innovation process within ANGOs. When respondents did identify a structured innovation process within their organisation, they also identified bottlenecks throughout the process such as slow decision-making or rigid bureaucratic procedures.

Resourcing innovation

The Innovation Framework outlines the importance of a dedicated budget for innovation that is protected even in times of crisis, and for leaders to provide employees with the time and funding to explore new ideas and creative solutions to problems or opportunities. The healthcheck found that within some ANGOs, a proportion of funds is allocated to innovation initiatives including competitive internal funds to support the exploration of new ideas. However, respondents pointed out that flexible funds are often the first thing to go when budgets get tough and that overall, there is a lack of resourcing for innovation. Both time and flexible funding were identified as strong blockers of innovation in organisations.

Measurement is elusive

The Innovation Framework identifies the best practice approach to measuring innovation as assessing a) innovation inputs such as the investment in innovation training or seed funding; b) innovation outputs such as program results; and c) metrics that moderate the relationship between inputs and outputs, such as any influencing external factors. While research respondents felt that monitoring and evaluation in general was done well by ANGOs, they felt that the measurement of innovation specifically was lacking. Quantitative data such as activities, actions and outputs are recorded, but it is unclear which innovations influenced these measures. Without metrics to clearly show cause and effect, respondents felt it was difficult to link positive outcomes to innovation efforts, making it harder to argue the case for increased resources towards developing new approaches.

PEOPLE: Capability, Roles, Positioning

Organisational positioning

One respondent noted that, *'the most important lesson for me is that "people innovate"'*, reinforcing the fact that it is the people in organisations who are responsible for coming up with, and implementing, great ideas. The Innovation Framework outlines the need for leaders to position their organisations and staff as leaders of innovation including through exposure at conferences, in the media and through other communication channels. The healthcheck found that while the sector has adequate performance in this area, there is room to ramp up such positioning of ANGOs within the broader social innovation space in Australia.

Innovative roles

The Innovation Framework outlines that innovation must be integrated into employees' roles, for example by providing employees with recognition for innovative behaviour, specifying innovation as part of job descriptions, and measuring performance against this indicator. Some research respondents felt that innovation was only the responsibility of a select few in managerial positions and recommended that innovation could be better incorporated into all employee roles. They felt that without clear links to performance metrics and job descriptions, employees will not be motivated to innovate.

Building capability

The healthcheck found that although staff should be the centre point of innovation, they do not always have the capabilities needed to drive innovation effectively. The Innovation Framework outlines that innovation capability involves thinking creatively by linking seemingly unrelated concepts, thinking of ideas that challenge the status quo, and also the ability to engage external people to gather information and test ideas.

In the Save the Children innovative initiative below, Save the Children staff member Stephen McDonald was approached by Dr Phil Connors from Deakin University in 2011 to share his ideas on leadership training in the humanitarian sector. In the intervening period, this partnership has expanded its global reach to include other actors in the humanitarian sector and has resulted in the development of the Humanitarian Leadership Program. This is an example of where the commitment and passion of individuals with vision and ambition have made an idea a reality.

Case study: Humanitarian Leadership Programme / Graduate Certificate of Humanitarian Leadership, Save the Children Australia and Deakin University

This program demonstrates the importance of supporting dynamic drivers of innovation within ANGOs.

Development Problem: With over 60 million people displaced around the world due to conflicts and disasters, and with the severity and frequency of humanitarian emergencies increasing, the aid sector is facing significant challenges.

Innovation: The Humanitarian Leadership Programme / Graduate Certificate of Humanitarian Leadership (HLP/GCHL) is working toward addressing some of these challenges. It is changing the way the humanitarian workforce is led, how humanitarian organisations operate and challenging current approaches to humanitarian emergency response.

Enablers: A partnership approach supported the programme's planning, development and delivery from the very early stages. Partners include Deakin University, Save the Children, the IKEA Foundation, Action Contre la Faim, Oxfam, the Australian Department of Foreign Affairs and Trade, World Vision, Relief International, Fire and Rescue NSW, Outlaw Consulting, Care International, the Asian Disaster Reduction and Response Network, Peter Berry Consulting, Plan International and the Humanitarian Advisory Group. Initial seed funding was provided through DFAT's Humanitarian Partnership Agreement.

Scale up: Since its beginning in 2011, around 350 experienced humanitarian practitioners from 64 countries and 68 agencies have studied the 8-month post-graduate course, which now runs twice per year. With financial support from the IKEA Foundation, Save the Children Australia and Deakin University have established a new Centre for Humanitarian Leadership.

Impact: Research during the Typhoon Haiyan response confirmed the relevance and effectiveness of the course. Of the 30 students and graduates in leadership roles who participated in the study, 100% felt the course made them better leaders in the response.

David Wardell, Save the Children Australia

Summary: Do Australian NGOs foster social innovation?

Innovation is occurring within ANGOs, although it might not always be defined as such and the majority of ANGOs were found to be at the start of their innovation journey. Within ANGOs and the sector at large, there is an absence of shared meaning on innovation, making it difficult for ANGOs to communicate on innovation and to engage with others outside the sector. ANGOs generally have the right climate to become highly innovative organisations, with creativity and thinking differently and a valuing of innovation by staff and leadership. However, on other innovation enabling factors, ANGOs have clear room for improvement. The research found a lack of innovation strategy and process within ANGOs, and a lack of dedicated funding, time and people resources, meaning that ANGOs are often not getting the results through innovation that they could be. To compound these factors, a lack of monitoring and evaluation of innovation has made it difficult to demonstrate the impact and return on investment from innovation.

What enables innovation in Australian NGOs?

This section draws on evidence from international literature, a workshop with Australian NGO staff, and case studies to examine what is helping and hindering the identification, nurturing and scaling-up of innovation by Australian NGOs.

INTERNAL ENABLERS

Understanding local context

NGOs possess a nuanced understanding of the contexts and institutions involved in international development, such as particular government and institutional priorities, and knowledge of governance and decision-making structures, and they bring a sophisticated understanding of the root causes of poverty. In this respect NGOs are well placed not only to understand the complexities of the problems that innovation is attempting to help solve, but also to make a judgement about whether a particular innovative approach will or will not work in a given context (Yaziji, 2004). This is demonstrated in the Adventist Development and Relief Agency (ADRA) case study below where the knowledge and experience of ANGO staff, their links with local community and their commitment to generating sustainable processes for long term impact, has allowed them to successfully trial an innovative new approach to combating non-communicable diseases.

Case study: Pacific Lifestyle Education Program, ADRA

This project successfully adapts a proven methodology in a new way to suit the Pacific context.

Development problem: In the Pacific, non-communicable diseases (NCDs) cause around 70% of all deaths.

Innovation: Adaption of the Complete Health Improvement Program (CHIP) which has been effective in preventing, arresting and in some cases reversing NCDs in Australia, NZ, Canada and USA; trialling of the REFLECT approach, a participatory approach to learning and social change, to understand how to contextualise the CHIP program.

ADRA Australia

Enablers: A deep understanding of the Pacific context, flexibility to adapt approaches, staff capability to respond to the complexity of community dynamics.

Blockers: Security and impassable roads hindered the training of local facilitators in the Solomon Islands, and Cyclone Pan caused delays in Vanuatu. Adaptations had to be made to the training and risk assessments/mitigation.

Scale up: ADRA partnered with the Avondale College of Higher Education and Ministry of Health in Vanuatu, Solomon Islands and Fiji.

Impact: A new culturally tailored model for lifestyle education in the Pacific and significant improvements in participants' health.

Intentional approach

Innovation is not always a deliberate and planned process. It can arise from chance, accidental occurrences and opportunistic adaptation (Ramalingam, Scriven & Foley, 2009). However, specific gearing of innovations in organisations will result in more effective outcomes. Without a set structure of how to facilitate innovation, and insufficient long term planning and strategy, an organisation's ability to innovate can be limited.

Designing for scale

UNICEF's Best Practice Principles on Innovation (see Annex 1) also recommend being intentional about scaling up social innovation from the start. Many excellent innovative projects fail because there was never genuine buy in, real financial and institutional support, or a hospitable policy environment to begin with. To be scaled, innovation needs to be appropriate, replicable, affordable and sustainable. Scaling up, however, is not easy and often involves changing the way that ANGOs work and may even involve relinquishing control over the innovation altogether (Gabriel, 2014). The case study from CARE provides an example of scaling up using government adoption of a social innovation and shows how collaboration with others greatly increases the possibility of success and the chances of achieving transformative scale.

Case study: A scalable solution for the Maternal, Child Health and Nutrition Continuum using mobile technology in a resource-poor setting, CARE Australia

This project is an example of scale up through government adoption of a technological innovation.

Development problem: High infant and maternal mortality remain daunting challenges in Bihar State, India.

Innovation: Leveraging the use of mobile phones by government Frontline Health Workers (FLWs) in poor communities to address health challenges. Real-time healthcare information is recorded to track appropriate and timely services through the stages of pregnancy, delivery, and postnatal care.

CARE

Enablers: The technology was designed with FLWs and is simple to use and easy to operationalise so it has a high level of acceptance by FLWs. Ownership and involvement of government officials, from inception to implementation, has also been key.

Blockers: Slow Bihar Government decision-making processes.

Scale up: In 2013, the Bihar Government decided to invest $US20 million to scale up four districts to reach a population of 10 million.

Impact: Over 40,000 pregnant mothers and infants have been tracked, with FLWs conducting more than 350,000 home visits. The project has aided the coordination and integration of services across two key government departments that provide healthcare and nutrition to women and children.

Supportive leadership and culture

Leadership and the ability to foster a culture of creativity, collaboration, flexibility, ambition and resilience are prerequisites for constructive innovation (Gower and Saxton, 2014). Commitment from senior management is crucial to an enabling environment for innovation as it means that practices will be modelled from the top down and resources prioritised for changing business-as-usual. In order to influence innovative behaviours, senior leaders in the ANGO sector need to build capacity in staff to identify solutions to complex challenges, incentivising employees through recognition or rewards. They also need to encourage an open environment for communication where innovation successes are celebrated, but also learnings and failures are shared.

Taking risks and accepting failure

Innovation presents risks as well as opportunities, and this was identified in the ACFID Innovation Workshop as a crucial area for further discussions amongst ANGOs. In many instances, NGOs are perceived to have a high tolerance for challenge and risk, particularly in humanitarian responses, or development initiatives undertaken in fragile or conflict-affected states. These complex and evolving environments with a broad range of stakeholders demand responsiveness, adaptability, flexibility and acceptance of a certain element of risk. However, there are a diverse range of views across the ANGO sector on innovation and risk, with many suggesting that ANGOs and the environments within which they work are highly risk averse. Employees or senior managers can also be risk averse and resistant to change.

It is important to first understand whose risks we are talking about. Is it those of the communities that ANGOs work with; donors, both public and institutional; or organisational and brand risks to the ANGO themselves? There are a number of tensions in the ANGO sector between innovation and ethical principles of engaging with communities in developing countries, in line with the humanitarian principle of 'do no harm'. There is a challenge between piloting and testing new approaches or methodologies in highly vulnerable contexts, where there may be adverse effects for the communities involved. Particularly in humanitarian contexts, there is often not the space to 'fail fast and fail often'.

However, it should be recognised that there may also be huge benefits in trialling new approaches as shown in the Fred Hollows Foundation case study below. The Fred Hollows Foundation is designing and piloting an innovative financing mechanism in the form of one of the world's first Development Impact Bonds. The project has been enabled by an organisational culture that encourages creativity and calculated risk taking. The Foundation has made a brave decision to break away from business-as-usual activities and trial impact investing which offers a potentially new avenue for leveraging social impact.

Case study: Cameroon Cataract Bond, Fred Hollows Foundation Australia

This project provides an example of scaling up using a social enterprise and the risk taking that it involves.

Development problem: Limited funding for cataract and weak health systems sustains the backlog of avoidable blindness cases in Sub-Saharan Africa.

Innovation: The Cameroon Cataract Bond is a global first-of-its-kind Development Impact Bond (DIB) that aims to channel private capital investment towards a start-up social enterprise eye hospital in Cameroon. A third party has undertaken to repay investors if the hospital achieves its financial and social targets.

Jacky Ghossein/Fred Hollows Foundation

Enablers: Acceptance of risk. No DIBs in health have been completed before and there is no blueprint to follow.

Blockers: While the original theoretical framework for DIBs is that governments and/or development agencies would be the most likely players to see the value in the mechanism and take on the role of the third party outcome payer, this has not played out in practice. Development agencies in particular have been slow to see how DIBs could fit within their funding platforms. As an alternative, Fred Hollows Australia has engaged with philanthropic foundations that have resources and interest, as well as an appetite for innovation and inclination, to help facilitate a new capital market.

Impact: The Cameroon Cataract Bond is currently being piloted, but Fred Hollows Australia is planning for the investment to create positive impact on the ground.
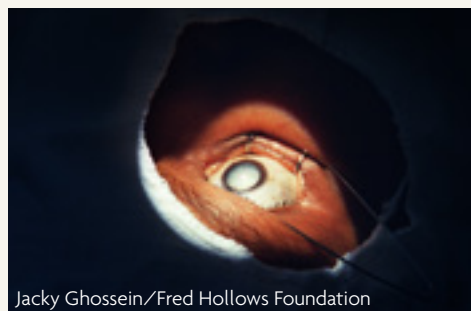
Identifying innovators

Individuals play a crucial role in innovation, both in their ability to support an innovative culture within an organisation, and to engage in innovation within their work. As innovation is more widely accepted, it mirrors a process that Schopenhauer identified for any new 'truth': 'First, it is ridiculed. Second, it is violently opposed. Third, it is accepted as being self-evident' (Whitehead, 2015).

Successful innovation is often linked to the role of 'iconoclasts' (Berns, 2008): 'To create something new, one also has to tear down conventional ways of thinking'. Iconoclasts tend to have the ability to create new opportunities, see things from different perspectives, embrace novelty, and cope with uncertainty and failure. However, this can also lead to ostracism or alienation from colleagues who have a vested interest in maintaining the status quo. Iconoclasts may also be understood as entrepreneurs due to their central role in pursuing innovation, even with a lack of resources. This term has evolved to define an 'intrapreneur' as someone who behaves like an entrepreneur within a large or established organisation. Intrapreneurs are typically people who 'think outside the box' and exhibit risk taking and leadership behaviours.

Research undertaken within Oxfam identified five key types of people necessary for successful innovation (Whitehead, 2015):

- **Dynamic Drivers:** Creative types who go 'beyond the call of duty' to turn an initiative into reality;
- **Fearless Champions:** Hold open the space, broker resources and networks, and ensure strategic alignment for the idea;
- **Amazing Advisors:** Bring creativity and ideas from elsewhere, share advice, make global connections both inside and outside the organisation;
- **Motivated Team:** Open to new things and receptive to working collaboratively;
- **Enlightened Senior Leader:** Commits to new initiatives and helps loosen organisational bottlenecks.

Delegating or ring-fencing innovation is risky with respect to staff retention, and fails to leverage the talent and skills of the wider organisation. It is also important to recognise that staff will often need to build skills relevant to innovation. As such, they need to be provided with the time, resources, support and training to do so.

Learning and evidence

Monitoring and evaluation are recognised as integral elements of international development project and program management cycles in order to ensure that development initiatives are on track to achieve their intended outcomes. NGOs often invest heavily in monitoring and evaluation processes not only to satisfy donor requirements, but to drive resource allocation, improve performance, generate learning, measure impact and provide evidence of their work. Rapid feedback loops allow for more agile programming where new approaches can be trialled and adapted quickly. Building a robust evidence base in terms of outcomes allows for clearer decisions to be made about what innovations work and what is worth scaling (Kline & Rosenburg, 1986). Building evidence has proven particularly important for World Vision in their clean stove project in order to attract impact investors (see case study below).

Case study: Measuring the health and environmental benefits of clean and efficient stove use, World Vision Australia

This project highlights the importance of demonstrating the impact of an innovation.

Development problem: Household air pollution caused by traditional biomass cookstoves is one of the leading causes of death in developing countries.

Innovation: The pilot of the market based distribution of clean and efficient cookstoves to 1,000 households to assess the viability of scaling up through impact investment and outcome payments.

Enablers: In order to attract impact investors, World Vision has built evidence to quantify the comprehensive impacts of clean and efficient cookstoves to the environment and to community members' health and economic wellbeing.

Blockers: In the past, communities have used the new clean cookstoves alongside traditional smoky versions undermining the benefits. World Vision has had to work alongside communities to build awareness of the detrimental effects of traditional stove use and to facilitate behavioural change.

Scale up: World Vision sells independently verified carbon credits to help finance the market based distribution of cookstoves.

Impact: The use of clean cookstoves has reduced CO_2 emissions, allowed women to spend less time harvesting wood, and led to improvements in health.

World Vision Australia

Working collaboratively

Collaboration with other organisations can help scale up social innovation by giving access to new technologies, skills, capabilities and competencies that would otherwise be difficult or take a long time to develop. Collaboration has been seen as the natural way that NGOs work. In particular, many NGOs collaborate directly with local organisations in developing countries and in turn, directly with affected communities. A hallmark of the aid and development sector is a willingness to share in order to amplify impact. Intellectual property is more often viewed as a common good rather than a competitive edge to be jealously guarded. There is also strong experience of building broad coalitions that link concerned citizens, local civil society, faith groups and NGOs on issues ranging from climate change to child trafficking.

Many of the most successful innovators have learned to operate across the boundaries between sectors and that innovation often thrives best when there are effective alliances between small organisations or entrepreneurs. Workshop participants likened the small organisations to the 'bees' who are mobile, fast, and cross-pollinate, and big organisations being the 'trees' with roots, resilience and size that can grow ideas to scale. These relationships between different actors can work well and show that both types of organisations can add value in the innovation process. This highlights the value and potentially important role of small and nimble ANGOs, not all of whom want to grow large. There is significant scope for broadening the range of strategies used in the sector to foster social innovation. Annex 2 provides a list of diverse strategies that are used in different sectors, from big business and venture capitalists to designers and researchers.

Partnering with the private sector

There are significant opportunities for the private sector to partner with ANGOs on social innovation, especially given the Australian Government directive for private sector engagement in development, illustrated by the Ministerial Statement, 'Creating shared value through partnership' (DFAT, 2015). DFAT has established the Business Partnerships Platform which will match DFAT grant funding dollar for dollar with funding from business to collaborate on issues that advance both Australia's aid and commercial objectives. While the profit focus of private sector organisations is seen as distinct from the mandate of NGOs, increasingly, both types of organisations are identifying common goals for meeting the needs of people, whether as beneficiaries or as customers. This is demonstrated in the Business for Development case study below where support for citrus growers has been a win-win for both business and local farmers.

It is worth noting that ACFID's recent report, *Partnering for Development: How ANGOs partner with private sector organisations for international development*, found a high level of ANGO engagement with the private sector. Two thirds of ACFID members surveyed already partner with private sector organisations in some form. Of those organisations that do not currently partner, more than half intended to partner with private sector organisations in the future. Moreover, ANGOs of all sizes partner with the private sector, with partnerships most common for health, education and agricultural projects.

Case study: Ironbark, Business for Development

In this project, the private sector provides valuable expertise in management and technical skills, in addition to capital investment, to promote innovation.

Development problem: Many farmers in Laos often struggle to grow enough maize or cassava for their families to consume.

Innovation: With the support of Business for Development and resource company MMG LXML, Ironbark Citrus has established Ironbark Laos. The company will engage farmers to grow citrus, train them, and provide the inputs they need. It will also buy the farmers' fruit for export to regional markets. This provides a secure system in which small holders can execute best practice propagation techniques.

Enabler: Partnership with the private sector. Ironbark Citrus is a citrus producer based in Queensland, Australia. The company are experts in citrus production, including nursery operation, pest control, irrigation and harvesting. The initiative has been made possible by MMG LXML as it works to create a sustainable future for farmers in close proximity to its mining operations. As the NGO partner, Business for Development brokered the relationship between Ironbark Citrus and MMG, designed the model to ensure strong development outcomes, and now fulfils a project oversight role.

Blocker: The farmers must wait three years to see their first harvest, so micro-finance became an important element of the design.

Impact: To date, 8,000 root stock have been planted in the nursery and 1,200 citrus trees planted in the ground using pilot farmers. Local farmers have the opportunity to grow a new crop that will deliver incomes for their families.

Cam Suttie, Know Studio

EXTERNAL ENABLERS

Access to flexible funding

In a constrained funding environment, with reduced government or public support for the aid agenda, NGOs are forced to utilise their limited budgets and capacities in new and resourceful ways. Conversely, the innovation agendas of the Australian Government and other multilateral and bilateral donors offer new opportunities for funding and partnerships. This focus on innovation is also starting to open new opportunities for piloting, testing and scaling development projects, and donors are valuing new ideas.

The Australian NGO Cooperation Program (ANCP) Innovation Fund grant was a major enabler of the Assisi Aid Floating Gardens Project (see case study below). The Fund supported the project at different stages of maturity, including proof-of-concept, trial and pilot. However, as the innovation fund was only for a year, it did not enable the project to go the next level. Fortunately, additional Gates Foundation funding helped realise the project's full potential, but this highlighted to Assisi Aid the dangers of solely relying on short term innovation funds.

The current constrained funding environment can also encourage an environment of 'co-opetition' (ACFID Workshop, 2015) between NGOs who are increasingly competing to maintain relevance in the eyes of governments, donors and public supporters.

Case study: Floating Garden Project, Assisi Aid

This project uses technology to tackle problems and transform lives. It also demonstrates some of the challenges that ANGOs face in relying on innovative funds and scaling up.

Development problem: Approximately 66% of rural Cambodians lack access to sanitation infrastructure, which can lead to devastating effects on health. Populations in flood-prone areas are particularly at risk.

Innovation: Sanitation, renewable energy, and agricultural systems in floating and flood-affected communities, including floating biodigesters and floating gardens.

Live & Learn

Enablers: Australian NGO Cooperation Program (ANCP) innovation fund grant.

Blockers: The ANCP innovation fund was for 12 months by which time Assisi Aid had to innovate a solution, test it and show results. Although they had a great team in place and some fantastic creative solutions, once the ANCP funding stopped, so did the project. Longer term Gates Foundation funding allowed the project to continue.

Scale up: Live & Learn partnered with Engineers Without Borders (EWB) to establish a marketplace and private sector delivery for new biodigesters in Cambodia, funded by Google's Impact Challenge. While Live & Learn had the community links and knowledge of the project, EWB brought technical skills and the capacity to manage and administer the funds.

Impact: This project will enable 25 local entrepreneurs to install 2,500 biodigester toilet systems benefitting 15,000 people. In 10 years, the project will provide sanitation and energy solutions to 1.2 million Cambodian people.

Donor risk appetite

Donors vary greatly in their approach to risk. On one hand, donors may be seeking new or innovative ideas, exciting programming, new business models such as social enterprises, and offering seed funding or innovation grants. However, donors can also be extremely conservative in their approach to risk, where risk goes beyond the financial to include reputational and political. Donors may ask for evidence of success prior to providing funds. There can often be contradictory messages or fudging of the inherent tension between guaranteed results on the one hand and riskier experimentation and innovation on the other.

An enabling ecosystem

Many sectors acknowledge that innovation can be strengthened by a newtwork of supporting structures rather than the single innovative capacity of individual organisations. *'A brilliant idea, product, service, or process rarely takes hold simply because it is brilliant. It also needs the right conditions to flourish. The right conditions include institutions, capabilities, values, policy, education, networks and flow of investment. These diverse elements are enabling factors that make up an innovation ecosystem – the complex and dynamic interactions between different individuals, institutions, networks, and interconnected social, economic, political and ecological systems'* (Beta, 2015). For example, Silicon Valley has developed a concentration of talent, investors, cross-fertilising spaces, large and small businesses and academic institutions. With this mind-set, the question is not about which sector or type of organisation is better at innovating, but about complementary capabilities of multiple actors in the system.

Summary: Enablers of innovation

ANGOs face particular challenges in prioritising innovation against other factors necessary for development work, but additionally foster unique environments in which social innovation can flourish. Internal organisational enablers for innovation in ANGOs include organisational structures, organisational culture and environment, staff engagement and leadership, and adequate flexible resourcing including time, people and funding. External enablers of innovation include access to flexible funding and donor risk appetite. However, it should be noted that these organisational enablers or drivers are often contextual, and may be unique to particular ANGOs working in a particular thematic area or context. In this respect, ANGOs need to undertake their own 'innovation journey' in order to determine which facilitators of innovation best suit their existing strategies, policies, procedures, and organisational culture. However, there is one common theme among all the case studies that has driven innovation – collaboration. The case studies clearly demonstrate that relationships between a range of different actors, including local communities, government, universities, business and philanthropists, can work well and add value during the innovation process.

Conclusion

This research paper has highlighted the important role that innovation can, and has, played in supporting ANGOs to deliver better outcomes and increased impact with, and for, people living in poverty. Innovation should not be seen as the 'silver bullet' or the end goal in itself, and we must continue to value, learn from, and adapt existing good practice.

However, the imperative for ANGOs to innovate cannot be ignored, given the scale of disruptive change both globally and in the development sector, the complex nature of development challenges, and the emergence of new technology and actors. Innovation can benefit individuals and communities by increasing the overall impact and sustainability of development interventions, while making the most of shrinking resources. To maximise their impact, ANGOs need to be connected and agile, seeking out new ideas and collaborations, rather than remaining trapped in business-as-usual mind-sets.

This research paper found that ANGOs are innovative, although they may not always be recognised as such. The ANGO sector needs to develop a common understanding of innovation and to be able to encourage it within a broader context to fully leverage its strengths and engage in cross-sector collaboration. ANGOs, and the sector as a whole, also need to focus on the enablers and blockers of innovation. The research found that while ANGOs have many of the fundamental building blocks necessary for innovation, the majority of ANGOs are at the start of their innovation journey and may not be getting the results that they could be.

To further identify, nurture and embed social innovation within ANGOs and across the sector, there is a need to develop a more strategic and systematic approach to innovation and to seek out greater cross-sector collaboration. There is an opportunity to build a stronger climate for innovation through valuing and investing in creativity, learning and problem solving and ensuring open communication when social innovation successes, learnings and failures are evaluated and shared. Moreover, ANGOs have been over-reliant on pilots and specific innovation funds, and there is significant scope for broadening the range of strategies used in the sector by borrowing approaches from other sectors. Further nurturing and embedding innovation within ANGOs and across the sector as a whole requires a role for ANGOs, ACFID, the Australian Government and development partners.

Recommendations

ACFID

Based on the findings of this research, the following recommendations are made to ANGOs, ACFID, the Australian Government and other development actors on how innovative solutions can be enabled and scaled in the international development sector to create greater, lasting change for and with people in poverty.

Recommended framing of innovation by the Australian aid and development sector

1. Frame the innovation discourse for international development around 'social innovation' where the value of innovation is gauged by its contribution to achieving social outcomes and positive impact.

2. Define social innovation as encompassing both incremental and disruptive innovation, and ranging from specific product innovation through to wider paradigm innovation.

3. Ensure that social innovation is not seen as a 'silver bullet'. Complex, deep-rooted problems of poverty and injustice rarely have simple solutions. It is more likely that combinations of innovations combined with established good practice across the sector will achieve change at scale.

Recommendations for all actors

4. Work together to develop richer 'ecosystems' for achieving social change, and to examine where the current and latent capabilities are within the wider system and how to strengthen connections in a wider range of actors.

5. Greater awareness is required by funders such as foundations, trusts, businesses and others, of where they fit in the wider ecosystem. For example, some may support initial stage ventures, and others can take those successful ventures to the next stage with increasingly blended offerings such as grants combined with business mentors or training.

6. Identify in what areas Australian actors together can develop a comparative advantage on which to innovate and lead internationally; for example in development in the Pacific, in ethical value chains for extractives, or in climate change adaptation for coastal communities.

Recommendations for ANGOs

7. Encourage adoption of innovation processes in order to drive deliberate, innovation success.

8. Unleash untapped employee potential by equipping staff with the right skills, knowledge and tools to increase divergent thinking and creative problem solving.

9. Build a culture that fosters innovation in the longer term return on investment in innovation.

10. Experiment with a wider range of strategies for promoting innovation (see Annex 1) from crowd sourcing ideas through to running social impact incubators in developing countries; strive to build innovative and adaptive capacity in local institutions, with local partners and with local communities.

11. Ramp up engagement of 'unusual suspects' and combine their capabilities with existing connections to create far greater value, from mobile network operators to southern think tanks, from journalists to venture capitalists, from sports stars to market research agencies.

Recommendations for ACFID

12. Develop ways to find alternative solutions to complex problems that are interconnected and impossible to solve without creating new or different problems.

13. Create physical and on-line spaces for collaboration and exchange between ANGOs and external stakeholders, e.g. academia, chambers of commerce, other industry bodies, shared value projects, as well as between smaller members and larger members.

14. Work closely with senior ANGO leaders and alternative thinkers on creating new business models, and provide ACFID-accredited training of trainers in human-centred and agile design.

15. Harvest and share with members' relevant case studies and learning on innovation drawn from the work of ANGOs and the wider international development sector.

16. Establishing a best practice innovation process; e.g. adopting or adapting UNICEF's Principles for Innovation and Technology in Development into ACFID's Code of Conduct (see Annex 1)

Recommendations for the Australian Government

17. Commission research into the extent to which existing funding mechanisms help or hinder innovative development solutions in both ANGOs and private contractors.

18. Develop a funding portfolio that reflects a range of risk appetites where some have tolerance of failing fast and allow for a diversity of approaches rather than one-size-fits-all solutions; supporting market-based solutions at the bottom of the pyramid on one hand and adaptive social movements on the other.

19. Play the lead role in ecosystem mapping to identify where greatest support, connections and investment are needed to develop a thriving social innovation ecosystem for international development.

20. Collaborate across different organisational types: creating platforms for exchange and collaboration; convening diverse stakeholders on critical challenges in the Pacific; commissioning research in areas of common interest; disseminating of findings and creating enabling funding mechanisms.

21. Adopt a nuanced approach to understanding the circumstances under which business is provided with an incentive to innovate when addressing the needs of poor people.

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Annex 1

UNICEF's Principles for Innovation and Technology in Development

These principles are not intended as hard and fast rules, but meant as best-practice guidelines to inform the design of technology enabled development programs.

1. **Design with the User**

   - Develop context appropriate solutions informed by user needs.

   - Include all user groups in planning, development, implementation and assessment.

   - Develop projects in an incremental and iterative manner.

   - Design solutions that learn from and enhance existing workflows and plan for organizational adaptation.

   - Ensure solutions are sensitive to, and useful for, the most marginalized populations: women, children, those with disabilities, and those affected by conflict and disaster.

2. **Understand the Existing Ecosystem**

   - Participate in networks and communities of like-minded practitioners.

   - Align to existing technological, legal, and regulatory policies.

3. **Design for Scale**

   - Design for scale from the start, and assess and mitigate dependencies that might limit ability to scale.

   - Employ a "systems" approach to design, considering implications of design beyond an immediate project.

   - Be replicable and customizable in other countries and contexts.

   - Demonstrate impact before scaling a solution.

   - Analyze all technology choices through the lens of national and regional scale.

   - Factor in partnerships from the beginning and start early negotiations.

4. **Build for Sustainability**

   - Plan for sustainability from the start, including planning for long-term financial health i.e., assessing total cost of ownership.

   - Utilize and invest in local communities and developers by default and help catalyze their growth.

   - Engage with local governments to ensure integration into national strategy and identify high-level government advocates.

5. **Be Data Driven**

   - Design projects so that impact can be measured at discrete milestones with a focus on outcomes rather than outputs.

   - Evaluate innovative solutions and areas where there are gaps in data and evidence.

   - Use real-time information to monitor and inform management decisions at all levels.

   - When possible, leverage data as a by-product of user actions and transactions for assessments.

6. **Use Open Standards, Open Data, Open Source, and Open Innovation**

   - Adopt and expand existing open standards.

   - Open data and functionalities and expose them in documented APIs (Application Programming Interfaces) where use by a larger community is possible.

- Invest in software as a public good.

- Develop software to be open source by default with the code made available in public repositories and supported through developer communities.

7. Reuse and Improve

- Use, modify and extend existing tools, platforms, and frameworks when possible.

- Develop in modular ways favouring approaches that are interoperable over those that are monolithic by design.

8. Do no harm

- Assess and mitigate risks to the security of users and their data.

- Consider the context and needs for privacy of personally identifiable information when designing solutions and mitigate accordingly.

- Ensure equity and fairness in co-creation, and protect the best interests of the end end-users.

9. Be Collaborative

- Engage diverse expertise across disciplines and industries at all stages.

- Work across sector silos to create coordinated and more holistic approaches.

- Document work, results, processes and best practices and share them widely.

- Publish materials under a Creative Commons license by default, with strong rationale if another licensing approach is taken.

<div align="right">(UNICEF, 2014)</div>

UNICEF innovation principles (http://www.unicefstories.org/principles/) have been endorsed or adopted by the following partners: UNICEF, USAID, Gates Foundation, EOSG Global Pulse, WFP, WHO, HRP, OCHA, UNDP, SIDA, IKEA Foundation, UN Foundation, and UNHCR.

Annex 2

What lessons can be drawn from innovation strategies in other sectors?

The list below is by no means exhaustive, but demonstrates the range of ways that innovation is fostered within and, perhaps more importantly, between various actors, whether investors, funders, customers, users or start-ups.

Cross-sectoral innovation

In many sectors, there has been acknowledgement that innovative capacity is often most effectively strengthened by the development of an ecosystem that supports it, rather than the innovative capacity of individual organisations. For example, Silicon Valley has developed a concentration of talent, investors, cross-fertilising spaces, large and small businesses, and academic institutions. With this mind-set, the question is not about which sector or type of organisation is 'better at innovating', but about complementary capabilities of the actors in the system.

From big business

Corporate research and development (R&D) units are seen as critical laboratories to drive innovation within the private sector. R&D funds are often managed by a central team and close scrutiny is given to the company's level of acceptable risk and financial models that determine the future return on the original investment.

From the venture capital world

Venture capitalists normally manage funds made up of other investor's capital, and seek to develop a portfolio of early-stage companies that provide an average return to investors well above market rates. The concept of venture philanthropy is linked to this model and seeks to attract philanthropic investors to fund new ideas and innovations which an NGO may wish to trial, but due to risk-aversion of traditional donors, cannot fund. Effective Altruism Ventures seeks to apply some of this thinking to the social sector.

Accelerators offer free or bundled professional services (strategic consulting, management coaching, branding, public relations, fundraising, and design) over a fixed period of time, often in exchange for equity. Some accelerators exist in the not-for-profit space such as SU Lab's 'Startup Accelerator'. Hubs provide a physical office space for a diverse group of individuals or small teams that do not wish to invest in their own premises. The benefit of hubs is in providing networking opportunities, engaged audiences for ideation, and basic business services and advice. The Impact Hub is a social enterprise example.

Incubators nurture young firms, helping them to survive and grow during the start-up period when they are most vulnerable. The goal of business incubators is to focus innovators on developing a business model, and link them with potential markets and investors. UnLtd is an example of an incubator model for social impact.

From the design world

Pioneered by the design agency Ideo, human-centred design draws from design thinking in gaining deep insights into customer needs, and designs products and services with active engagement of clients or beneficiaries.

From government

Prizes such as the Longitude prize (https://longitudeprize.org/) have been used to gain wider engagement in solving sizeable social problems. The current Longitude prize is for helping to solve the problem of global antibiotic resistance. Government initiatives have also been used to encourage 'intrapreneurs' in the public sector, for example the 'Nurses as social entrepreneurs programme' developed at Oxford University's Saïd Business School, training nurses to address and solve problems within their own working environment.

From the sharing economy

Open innovation is a way of gathering knowledge, ideas or investment (crowd-sourcing and crowd-funding) from a wide range of stakeholders, either from the public or from a smaller community. Wikipedia, Google developers' forums and InnoCentive.com are all examples.

From social movements

Evolving movements for social change are complex, dynamic sets of forces that bring major shifts in society, such as universal suffrage. New ways of using information and communications technology for organising social movements were demonstrated during the Arab Spring uprisings in 2011.

From academia

Academia has provided a huge number of tools and frameworks that have supported innovation in commercial and development settings, from complex systems to organisational change, from triple loop learning to positive deviants. For more examples see The Open Book of Social Innovation (Mulgan, et al., 2010).

Annex 3
List of case studies

NGO	Project name	Website
Caritas Australia	Singing our way to safety	http://www.caritas.org.au/
Oxfam Australia	Behind the Brands	https://www.oxfam.org.au/
CBM	Inclusive rural integrated water, sanitation and hygiene, Sri Lanka	https://www.cbm.org.au/
Save the Children, Australia	Humanitarian Leadership Program	https://www.savethechildren.org.au/
ADRA	Pacific Lifestyle Education	https://www.adra.org.au/
CARE Australia	Frontline maternal and newborn health services, India	https://www.care.org.au/
Fred Hollows Foundation	Cameroon Cataract Bond	http://www.hollows.org/au/home
World Vision Australia	Measuring the health and environmental benefits of clean cooking stoves, Myanmar	http://www.worldvision.com.au/
Business for Development	Ironbark, Laos	http://businessfordevelopment.org/
Assisi Aid	Floating Garden Project, Cambodia	http://www.assisi.org.au/

Current Member List

Full Members:

- ACC International Relief
- Act for Peace - NCCA
- ActionAid Australia
- Adara Development Australia*
- ADRA Australia
- Afghan Australian Development Organisation
- Anglican Aid
- Anglican Board of Mission - Australia Limited
- Anglican Overseas Aid
- Anglican Relief and Development Fund Australia
- Asia Pacific Journalism Centre
- Asian Aid Organisation
- Assisi Aid Projects
- Australasian Society for HIV, Viral Hepatitis and Sexual Health Medicine
- Australia for UNHCR
- Australia Hope International Inc.
- Australian Business Volunteers
- Australian Doctors for Africa
- Australian Doctors International
- Australian Federation of AIDS Organisations
- Australian Foundation for the Peoples of Asia and the Pacific
- Australian Himalayan Foundation
- Australian Lutheran World Service
- Australian Marist Solidarity Ltd
- Australian Medical Aid Foundation
- Australian Mercy
- Australian Red Cross
- Australian Respiratory Council
- Australian Volunteers International
- Beyond the Orphanage
- Birthing Kit Foundation (Australia)
- Brien Holden Vision Institute Foundation
- Bright Futures Child Aid and Development Fund (Australia)
- Burnet Institute
- Business for Millennium Development
- CARE Australia
- Caritas Australia
- CBM Australia
- ChildFund Australia
- CLAN (Caring and Living as Neighbours)
- Credit Union Foundation Australia
- Daughters of Our Lady of the Sacred Heart Overseas Aid Fund
- Diaspora Action Australia
- Diplomacy Training Program
- Door of Hope Australia Inc.
- Edmund Rice Foundation (Australia)
- EDO NSW
- Engineers without Borders
- Every Home Global Concern
- Fairtrade Australia New Zealand
- Family Planning New South Wales
- Food Water Shelter
- Foresight (Overseas Aid and Prevention of Blindness)
- Fred Hollows Foundation, The
- Global Development Group
- Global Mission Partners
- Good Shepherd Services
- Grameen Foundation Australia
- Habitat for Humanity Australia
- Hagar Australia
- HealthServe Australia
- Hope Global
- Hunger Project Australia, The
- International Children's Care (Australia)
- International Christian Aid and Relief Enterprises
- International Needs Australia
- International Nepal Fellowship (Aust) Ltd
- International RiverFoundation
- International Women's Development Agency
- Interplast Australia & New Zealand
- Islamic Relief Australia
- KTF (Kokoda Track Foundation)
- Kyeema Foundation
- Lasallian Foundation
- Leprosy Mission Australia, The
- Live & Learn Environmental Education
- Love Mercy Foundation
- Mahboba's Promise Australia
- Marie Stopes International Australia
- Marist Mission Centre
- Mary MacKillop International
- Mary Ward International Australia
- Mercy Works Ltd.
- Mission World Aid Inc.
- Motivation Australia
- MSC Mission Office
- Nusa Tenggara Association Inc.
- Oaktree Foundation
- One Thousand Villages
- Opportunity International Australia
- Oro Community Development Project Inc.
- Oxfam Australia
- Palmera Projects
- Partners in Aid
- Partners Relief and Development Australia
- People with Disability Australia
- PLAN International Australia
- Quaker Service Australia
- RedR Australia
- Reledev Australia
- RESULTS International (Australia)
- Royal Australian and New Zealand College of Ophthalmologists
- Royal Australasian College of Surgeons
- Salesian Missions
- Salvation Army (NSW Property Trust)
- Save the Children Australia
- Service Fellowship International Inc.
- School for Life Foundation
- SeeBeyondBorders
- Sight For All
- So They Can
- Sport Matters
- Surf Aid International
- Tamils Rehabilitation Organisation Australia
- TEAR Australia
- Transform Aid International (incorporating Baptist World Aid)
- Transparency International Australia
- UNICEF Australia
- Union Aid Abroad-APHEDA
- UnitingWorld
- University of Cape Town Australian Trust
- Volunteers in Community Engagement (VOICE)
- WaterAid Australia
- Women for Women in Africa
- World Education Australia
- World Vision Australia
- WWF-Australia

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* Denotes Interim Full Member
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ACFID unites Australia's non-government aid and international development organisations to strengthen their collective impact against poverty.

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