

## Aid sector at risk post COVID

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The impacts of COVID on aid charities will be 'extremely challenging', and could mean an 'existential' threat to the existence of some agencies, says a new report into New Zealand's aid sector.

'Business as usual or operations as we used to know them, have gone forever.'

This comes at a time when famines are predicted to increase globally. In some countries, hunger could kill more people than COVID.

Development in the Pacific is being thrust back decades, thanks to closed borders.

The 'Health of the New Zealand International NGO Sector' was written by independent consultants, Craig Fisher specialising in governance and organisational development, and Darren Ward managing partner of Direct Impact Group, a social impact consultancy.

Many of the challenges are not new, but have been accelerated by COVID. There are opportunities to improve the effectiveness of aid for those organisations that can adapt quickly, concludes the report.

### Key findings:

- 46% of aid charities said that COVID is a serious threat to their survival
- The most reported challenges include funding and programme continuity
- These were expected to peak later this year and remain as moderate threats through 2021.
- The traditional operating model for aid charities is no longer sustainable
- Organisations will need to adapt to a much more uncertain operating environment
- COVID has accelerated 10-year's of change into a 3 to 5 year period, if not sooner
- There are fears that the aid sector will fare worse with both the public and government because in tough economic times, 'charity begins at home...and may now stay at home'.

The authors 'expect there will be casualties', but the crisis is a 'perfect opportunity to ...implement new structural, operational, and potentially more impactful models of operating.'

**Recommendations include:**

- Identify and articulate each organisation's unique value
- Increase collaborations which will increase impact
- Consider shared services and even mergers
- Leverage our uniqueness as New Zealanders (practical, innovative and from a small country)
- Further leverage our location in the Pacific
- Increase the successful local ownership of aid, accelerated by COVID border closures
- Agree common measurements of impact and make impact the core focus.

The report is based on desk research, interviews with CEOs, key stakeholders (in New Zealand and across the region), as well as online surveys. It was commissioned by CID.

The Council for International Development (CID) is the peak body for New Zealand's aid agencies

**Contact:** Josie Pagani, Director for more information 029 9050207 | [director@cid.org.nz](mailto:director@cid.org.nz)