Collaboration and the Evolving Role of International NGOs in an Era of Democratic Retreat

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A Crisis of Values, Roles, and Identity

Thank you, Todd and Sam, for this opportunity to share some reflections on the future of our sector. I will begin with some personal views shaped by events in Washington, D.C., in early 2025.

It is hard to capture the widespread shock and dismay as the Trump administration ignored established laws and associated Congressional directives that had been formally enacted since the 1960s. First came the freezing of foreign aid, then the dismantling of USAID, and finally active efforts to crush parts of the U.S. international NGO sector. During daily protests, cries of "Save USAID," "Where is Congress?" and "This is an illegal coup" angrily reverberated around Washington, D.C.

The Trump administration's mantra of eliminating "waste, fraud and abuse" became the ideological justification for circumventing laws, laying off thousands of public servants, and canceling programs established by law. The irony that inspectors general, responsible for investigating actual fraud, were themselves fired was lost on the general public.

Destroying USAID was only the beginning of a widespread dismantling of government and its intellectual capacity. Universities, nonprofits, think tanks, and other independent institutions soon found themselves under similar attack. The targeting of individual scientists, journalists, academics, and nonprofit leaders became routine.

For nearly two decades I led InterAction, the alliance of U.S. international NGOs. We weathered financial crises, wars, pandemics, and political transitions. But nothing prepared the U.S. NGO community for what has happened over the past eighteen months.

Before I go further into our experience, it is important to say that I am not here because New Zealand is about to mirror what happened in the United States. It will not. I am here because what happened to us exposed assumptions that international NGOs everywhere have made about government, funding, democratic institutions, and our own role as civil society. Some of those assumptions are no longer safe. We built our institutions around assumptions about democracy, government partnership, and the nature of international cooperation that turned out to be contingent rather than permanent.

One cannot overstate the shock we experienced and how radically it shifted the mood among U.S. NGOs. The pain was widespread. Government and NGO careers ended overnight. Friends, colleagues, and family members lost their jobs, while overseas programs stopped and people began to die. Decades of partnerships were interrupted. Thousands of local partners suddenly had no funding. Trust was shattered.

Fear replaced confidence. NGO leaders stopped asking, “How do we change the world?” and began simply asking, “How will we survive?” Over time, as they endlessly tried to keep their organizations afloat, executives and staff faced widespread burnout. It defines the U.S. NGO sector today.

But this was never simply a funding crisis. For the entire U.S. NGO sector, the broader shock far exceeded all expectations and raised serious questions. As civil society, how does one respond to an intentional and often illegal dismantling of institutional capacity as a radical government promotes an illiberal ideology? Within this new reality, U.S. NGOs have had to adapt to a crisis about values, roles, and identity.

On democratic values, our government is adopting authoritarian tactics. The U.S. Justice Department has targeted thousands of nonprofits and their leaders with ideologically based legal attacks; many are blacklisted from any government funding. Overseas, the U.S. has ended all funding for human rights and democracy programs.

U.S. NGOs are faced with a government that rejects international cooperation as it fundamentally changes America’s role in the world. U.S. foreign policy is now transactional, and development cooperation has been repurposed to meet narrow national and personal interests. Why should the U.S. provide humanitarian food aid to a country that cannot guarantee access to minerals? The U.S. is no longer the diplomatic and funding anchor of the world’s humanitarian response.

Lastly, management choices are creating a crisis around the identities of U.S. NGOs. Does an NGO self-censor its values to avoid the wrath of a vengeful government? Does it become a government “implementing partner” and follow extreme ideological and policy requirements, or choose to become a much smaller independent actor in its own right? How U.S. NGOs answer these questions changes not simply their business models, but their identities.

Preparing Before the Crisis

While today’s crisis is unprecedented, it should not have been entirely unexpected. Before the first Trump administration, we had prepared ourselves. We took advantage of a case study from Cooperation Canada that offered important lessons. We had watched a conservative Canadian government create pressures that ultimately divided the Canadian NGO community, ending all government funding to Cooperation Canada and effectively cutting almost all its staff.

Smaller NGOs and advocacy organizations wanted to challenge the government’s ideology, actively seeking confrontation. Larger global members feared losing government relationships. The result was different messaging and tone. The platform fractured and fell apart. One lesson was clear: build trust between members and agree on principles before you are under attack.

So, in late 2016 after Trump’s first victory, we asked four questions in a scenario-planning exercise: What if U.S. foreign policy fundamentally changes? What if NGOs become political targets? What if we see major budget cuts? And how aggressively should we respond?

We were ready for the administration’s major aid cuts and worked with common talking points. We were aligned when COVID hit, and we had the ability to stop many of the administration’s most harmful ideas. This included pushing back on disinformation and individual attacks on members.

In my book, Prisoners of Hope, I share a story about an attack on Islamic Relief USA. Then-Congressman Ron DeSantis convinced his Republican colleagues to ban Islamic Relief from any U.S. government funding. At CEO retreats, we had decided that any attack on one member was an attack

on us all. So we responded with collective political action: Why are you attacking the U.S. NGO sector? You will force us to respond publicly to an attack; we see an attack on any one NGO as something that harms all faiths and NGOs.

We exerted enough pressure and won; they backed off. But the critical point is how we won. The relationships, trust, and agreement necessary for collective action had been built before the attack occurred.

That raises questions for CID: What agreements do you need to make with one another now, before you are tested? What constitutes an attack on one member? What values will you collectively defend? When will you speak collectively rather than protect individual brands? When European NGOs faced a comparable situation, no up-front work had been done, and they decided to protect their individual brands rather than take collective action.

Unfortunately, we did not anticipate the realities that came with President Trump's election in 2024. Before the second Trump presidency, we missed preparing the sector for some key questions: What if truth and facts themselves become questionable and long-established laws are ignored by the administration? What if USAID is destroyed and almost all foreign assistance expertise is laid off? What if all foreign aid becomes transactional? And what if our traditional nonpartisan compromises with each administration end up associating U.S. NGOs with a government that embraces an American brand of far-right authoritarianism?

Our greatest mistake was assuming that these institutions would hold. Congress created USAID as an independent agency in law, and courts exist to enforce the laws that govern foreign aid. Independent agencies also have established professional norms. We assumed those guardrails would constrain executive power. They did not, or they acted to defend norms far too slowly.

U.S. NGOs proved much better at operational adaptation than at preparing themselves politically. They were not ready for an elected government that would rapidly implement an authoritarian playbook like those used in Hungary and around the world. As a collective, they were not politically aligned, and many organizations were fearful of joining one of the many lawsuits aimed at stopping the administration's illegal activities.

What the Dismantling of USAID Really Means

Destroying USAID was more than a reduction in aid. It caused four shocks that still reverberate globally.

First, there is an ongoing humanitarian shock, and lives were immediately affected. In 2025, the administration's slash-and-burn approach resulted in the deaths of an estimated 700,000 people. Essential HIV/AIDS medicines were locked in warehouses. Food shipments were stopped. Clinics closed. Thousands of health workers lost their jobs. Treatment for severe acute malnutrition was dramatically reduced and children starved. These were not theoretical future consequences. They began within weeks.

Programs stopped, and for months there was no cash flow or reimbursement to NGOs. Private funds could not make up the difference. European governments, facing a future without the guarantee of U.S. military support, cut ODA to invest in their own defence capabilities. I would not be surprised if a similar calculation between ODA and defence spending is already underway across Asia, including here in New Zealand.

Second, closing USAID represented an institutional shock, with a tremendous loss of expertise, learning, accountability, and relationships. It created enormous uncertainty. The impact on NGOs varied. For some individual organizationss, it was an existential crisis. For many U.S. NGOs, government funds were the fulcrum around which their organizations and programs were organized. Yet even though only 24 percent of funding to InterAction members came from the U.S. government, most organizations retrenched. This percentage is comparable to the sector here in New Zealand. USAID was cut by 83 percent and, as you know, even a 10 percent cut in staff and programs is difficult for any organization to absorb.

Third, closing USAID was a political shock. A negative message was sent globally to the development and humanitarian sector: we have a president who will bypass Congress and its laws; he views international solidarity and treaties as optional and transactional; human rights are not part of his agenda and, if anything, are treated as a harmful "woke" ideology; and as he embraced authoritarian leaders, democracy became expendable.

Lastly, closing USAID was a psychological shock. This was perhaps the hardest to accept. Many NGO leaders assumed that "the Washington we know will eventually return." Now we are not so sure. Within NGOs, it affected organizational identity, staffing, willingness to advocate, and perceptions of risk. They discovered that the entire operating environment may have changed permanently. Today, resilience is no longer about waiting for a return to an earlier norm. It means being able to work in a fundamentally different world.

What This Means for New Zealand and the Pacific

Your country has a vibrant civil society, strong democratic traditions, and deep community organizations, but the future will require more than preserving what exists. I am not suggesting that New Zealand is destined to follow America's path. The question is whether we can recognize and respond to pressures that are appearing across democracies, and whether your institutions are resilient enough to withstand them before they become a crisis.

Every democracy faces the potential for similar pressures, whether disinformation, polarization, attacks on expertise, declining trust, donor fatigue, shrinking civic space, nationalism, or transactional politics. Democratic erosion is usually incremental. Norms are weakened one at a time: expertise is dismissed, independent institutions are delegitimized, and opponents are framed as enemies. When civil society organizations begin censoring themselves because they fear political or financial consequences, you know that democratic backsliding is taking place.

New Zealand occupies a unique place in the world. You are a small democracy in the Pacific, accustomed to alliances and long-term trust. Those characteristics may become more valuable, not less, in a world dominated by increasingly transactional great-power competition.

What would it mean for New Zealand NGOs to see themselves less as organizations delivering development overseas, and more as civic institutions embedded in a Pacific neighborhood where trust, local legitimacy, and durable relationships increasingly matter? For all international NGOs, we now know that long-term organizing, coalition-building with diverse local partners, and strategic patience are essential. You operate in a Pacific political and cultural ecosystem in which relationships, proximity, indigenous perspectives, sovereignty, climate vulnerability, and historical power relationships matter more than in other regions. America's retreat creates space, and responsibility, for different forms of leadership.

In the United States, many large international NGOs allowed their business models to become heavily dependent on government contracts and grants. One lesson from the American experience is that funding architecture eventually becomes political architecture. If too much of your institution depends upon one government, your freedom to challenge that government inevitably becomes more complicated.

You may have an important comparative advantage if diversified funding allows you to retain greater freedom of action. But that fiduciary independence must be deliberately protected. Your smaller scale may give you greater freedom to reinvent yourselves.

The International NGO Model Is Evolving

The institutional model that shaped the golden age of international NGOs is ending. For thirty years, many international NGOs benefited from unusual conditions we took for granted: growing aid budgets, broad public support, liberal international institutions, confidence in globalization, and expansion of democratic space, or at least a tolerance of local civil society.

Civil society is not necessarily declining. It is the Northern government aid-funded international NGO model that is under the greatest pressure. This is not because NGOs failed or civil society is flawed, but because history changed and the dominant role of the United States has fundamentally altered. We are entering a multipolar and more fragmented future, built on national interests and not necessarily a set of shared values. More than ever, Asian and European alliances and a space for global civil society actors, including international NGOs, must hold. Yet the future cannot be built solely by defending yesterday's models.

Three Transformations for International NGOs

In Prisoners of Hope, I describe seven ways international NGOs need to evolve to remain relevant. Here I want to collapse them into three transformations that I think matter particularly to New Zealand NGOs: shift power, use your voice, and build resilience.

I start with the premise that global problems such as climate change, migration, pandemics, and inequality are shared challenges and, in most places, local organizations can lead any response. Advocacy must focus on peace, justice, accountability, and participation as prerequisites for every other SDG. For some organizations, building resilience will require evolving missions and programs in a manner that supports this broader agenda.

1. Shift Power to Locally Rooted Partners

The first transformation shifts implementation to locally rooted partners. It is about transferring power, and it includes evolving and diversifying programs. The future of the Northern NGO increasingly becomes one of facilitator, connector, advocate, investor, and partner. Every society has expertise to contribute as international NGOs support local civil society ecosystems and promote shared accountability.

The donor-recipient framework must shift power to build broader constituencies. Use private revenue to build genuine partnerships with local organizations, including strengthening local leadership, fostering cross-sector collaboration, and breaking down silos. This transition is an opportunity for some NGOs to reduce dependence on governments.

As we shift power locally, recognize that we are not at the heart of any localization effort. In 2024, only 7 percent of U.S. ODA went to InterAction members and 4 percent to local civil society. Localization is fundamentally about power, not projects. It requires significant changes in donor policies that move beyond traditional government donor-recipient relationships. We can explore ways to share governance, leadership, and decision-making so that community partners become co-creators.

Local organizations should lead wherever possible. You have the power to use private funding to decrease compliance burdens and invest in long-term institutional capacity.

2. Use Your Voice and Build Collective Power

The second transformation is to become stronger civic actors, recognizing the power of collective voice and advocacy. This includes ensuring that networks like CID can tell a public story.

One lesson from the American experience bears repeating: funding architecture eventually becomes political architecture. If too much of your institution depends upon one government, your freedom to challenge that government inevitably becomes more complicated.

There is no need to be partisan, but do remain principled. Nonpartisanship does not mean that you are values neutral. Be unapologetic advocates as defenders of the SDGs, democracy, human rights, humanitarian law, and the rule of law. Recognize that silence has costs. Defend local partners' rights to organize and speak out. This includes challenging restrictive policies at home that undermine civic space both domestically and globally.

To have an influential voice, one must actively build stronger networks. In an era of institutional retreat, networks are investments that leverage your voice and collective power. They are not an overhead cost. Networks or platforms like InterAction, CID, and Forus are strategic infrastructure that can drive change, and they are essential for collective influence. No single NGO can carry this legitimacy alone. We live in an era where intermediary organizations matter more, not less. Collective action has become an essential part of our independence.

It is also important to increase your ability to tell a better story. What story are you telling the New Zealand public? Perhaps it is that there are poor people everywhere and New Zealanders should help them. Or it can be that New Zealand's wellbeing is connected to the wellbeing, resilience, peace, and democratic health of its Pacific neighborhood and the wider world.

Consider moving from a charity framework to one of interdependence, solidarity, and shared interest, without abandoning compassion. It will help counter donor fatigue. Many citizens understand charity and shared interests across borders and support foreign aid. Far fewer understand the role of civil society. It is a role that we as NGOs must explain, using a narrative rooted in agency and dignity.

With public officials, a soft-power, national-security, or Pacific-neighborhood argument can work. Ultimately, you are making the case for why civic institutions matter and why democracy depends upon organized citizens.

3. Build Resilient Civic-Minded NGOs

The third transformation is a shift from organizational survival to building more resilient, civic-minded NGOs. Resilience is not the same as survival. To be resilient, one must embrace forms of adaptive leadership.

The leadership skill we need most is the ability to operate without certainty: to hold organizations together while assumptions are collapsing, to listen to people closer to the problem, and to make reasoned decisions before all the evidence is available.

A resilient organization has invested in leadership and adopted a more inclusive and equitable approach to governance. Inclusive governance must better reflect global and local voices and embrace participatory approaches to program and coalition building. Governance must be built on political courage, a focus on mission and greater impact, rather than on the political constraints of why something is not possible.

Protect Democratic Societies and People's Ability to Act

Finally, we have a vital role in protecting and promoting democratic societies and the ability of people to act on their hopes and dreams. For years, our sector has treated democracy, human rights, and civic space as specialist sectors—things done by democracy NGOs. I think that distinction is increasingly untenable.

If people cannot organize, journalists cannot report, communities cannot challenge power, and organizations cannot advocate, every development gain becomes more fragile. Structural inequalities are a major barrier to any community's ability to imagine and embrace a better future. Within any economy, we need to expand access to markets, support a living income, and promote businesses committed to inclusive and sustainable growth. As we work at the level of a family or community, we must support ways for people to act on their hopes for a better, more inclusive future.

Questions for the Sector

Let me offer some key questions.

First, what are you preparing for? What assumptions about government funding, public support, or political stability might no longer hold five or ten years from now? Do not wait for the crisis I have described in the United States to find you. Certain actions, such as a partnership or even a merger, are far easier to consider before any future crisis hits.

Second, who will stand with you? Have you built the relationships, within CID, across New Zealand, and across the Pacific, that will survive political pressure? Think nationally and globally as you create allies. The United Nations and global institutions are even more indispensable. Support their continued existence.

Third, what will you refuse to compromise? What are your red lines? At what point does accepting funding, language, or restrictions undermine the values that justify your existence?

An NGO can survive financially by cutting staff, narrowing its mission, and staying silent. But if in doing so it loses its civic voice, its relationships with local partners, or the values that gave it legitimacy, what exactly has survived? There is always a tension between the ideals and principles of civil society and the financial reality within which your organization works. There are inherent risks in going too far in either direction, but nonprofits must anchor themselves to clear values—human dignity, impartiality, rule of law, inclusion and diversity, human compassion, and empathy—and state them consistently. Our credibility grows from coherence with our values.

A final question: are you willing to invest in civil society itself, including your own? Not only projects. Not only services. But the institutions that allow citizens to organize, advocate, and solve problems together. This includes investing in your own organizations by using higher overheads to build your reserves.

A Prisoner of Hope

I would like to close with a personal reflection. I have spent close to four decades working alongside remarkable organizations in dozens of countries. Governments have come and gone. Policies have changed. Donors have shifted priorities. But one constant remains.

Ordinary people, working together, continue to shape history. That is why I remain, in Archbishop Desmond Tutu's words, a prisoner of hope.

Hope is not optimism. It is not naïve. It is not passive. Hope is a discipline. It chooses action despite uncertainty. It is the determination to build a better future even when today's headlines suggest otherwise. Hope is the decision to act despite uncertainty: to build institutions when institutions are under attack, to organize when success is not guaranteed, and to refuse the comfort of cynicism.

The future of international NGOs will not be determined in Washington, London, Brussels, or any donor capital. It will be determined in communities, through networks, and by organizations like yours, willing to evolve and stand together.

It will be determined by your courage to evolve, to defend democratic values, and to work together across borders in service of our common humanity; by your ability to create resilient organizations; and by your response to the question: what do we as New Zealand and Pacific civil society need to become?

Throughout history, progress has been achieved not because success was guaranteed, but because ordinary people, in partnership with organizations around the world, decided that inaction was unacceptable and acted together.

Our work to improve human welfare and dignity continues. Thank you for all that you make possible.