

# The Equity Index Pilot Project

Key findings, lessons  
learned &  
recommendations

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# **PART 1: INTRODUCTION**

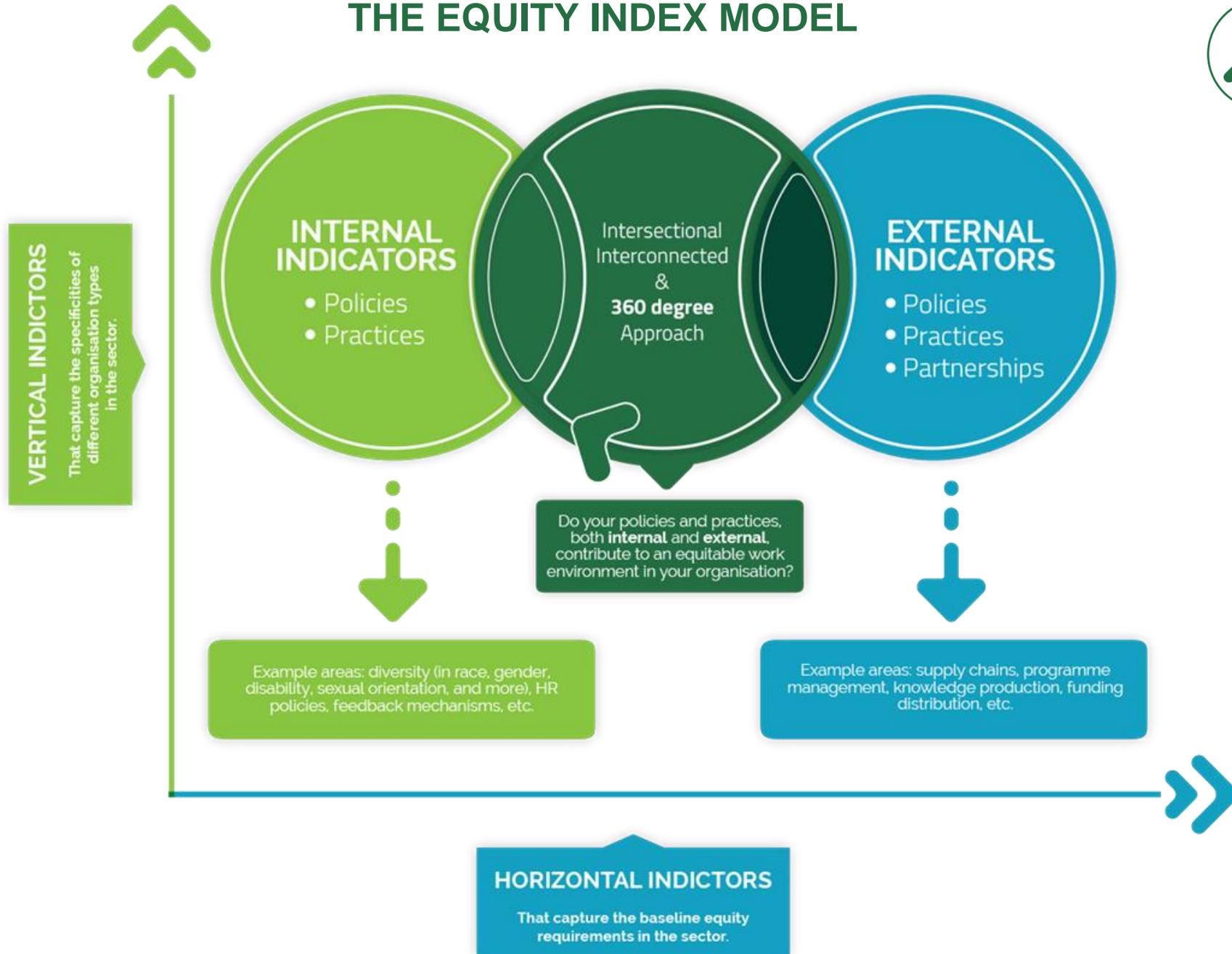


## INTRODUCTION TO THE EQUITY INDEX

The Equity Index is a UK social enterprise (registered as a Community Interest Company limited by guarantee) advocating for greater equity across the international development sector. We will measure and track the multiple dimensions of equity in the internal and external workings of UK development organisations to influence meaningful change in their policies, practices, and partnerships. This includes racial and gender equity, equity in knowledge production, in funding, in collaborations and more.

We believe that measuring equity at the organisational level in an open and transparent way will raise awareness about the negative consequences of inequity, including the fact that development interventions are less likely to be effective and sustainable over the long-term. The idea is not to name and shame – becoming more equitable is a long journey, and The Equity Index aims to foster a race to the top, rather than a race to stay away from the bottom.

# THE EQUITY INDEX MODEL



## OBJECTIVES AND APPROACH TO THE PILOT PROJECT

In May 2020 we received a grant of £20,000 from the [Joffe Charitable Trust](#) to conduct a **pilot project** with a focus on the **UK development consultancy sector**, ranging from small consultancies to larger corporate companies. The pilot project ran from July 2020 to June 2021.

Our overarching goal was to demonstrate a new and impactful way of measuring equitable practice within and across development organisations. The pilot was comprised of three central pillars:

- Conducting background research on equity in the sector, with a focus on entry-points for reform;
- Developing indicators to measure equity in the organisational practices of consultancies and assess a sample of pilot organisations against them;
- Crafting an advocacy strategy and publicly launching the pilot results via a specialised website and a virtual event.

This pilot provided an opportunity for The Equity Index to test a core part of our **Theory of Change**: *that creating and measuring a sample of organisations against internal and external equity indicators, when combined with advocacy efforts across the sector, will lead to organisational shifts and broader cultural change in the development sector.*

If you would like to read more about our **methodology**, read our overview report [here](#).

# **PART 2: FINDINGS**

## OVERVIEW OF PILOT ORGANISATIONS

We worked with four organisations as part of the pilot. The following table provides an overview of their operations.

Organisation	Business size	Time in operation	Focus areas	Extent of global footprint
Agulhas Applied Knowledge	Small	18 years	Research and strategy	No international offices
Brink	Small	3 years	Innovation and adaptive & agile working	No international offices
Nathan Associates	Small	16 years	Economic and analytics consulting	Main office in the U.S.
The Global Strategy Network (TGSN)	Small	6 years	Conflict and social cohesion	Office in Turkey

# OVERVIEW OF INDICATORS & AVERAGE SCORES

	Internal equity	External equity
Summary of indicators	<ul style="list-style-type: none"> <li><b>I-1.1, I-1.2, I-1.3:</b> Number/percentage of staff by category (women, People of Colour, people with disabilities, people identifying as LGBTQIA, people from the Global South)</li> <li><b>I-2.1:</b> Measurable public commitment to promoting intersectional equity</li> <li><b>I-2.2:</b> Opportunities to provide anonymous feedback on the culture of the organisation</li> <li><b>I-2.3:</b> Resources dedicated to promoting internal equity</li> </ul>	<ul style="list-style-type: none"> <li><b>E-1.1:</b> Number of Global South partners</li> <li><b>E-1.2a:</b> Meaningful engagement of partners in design, co-creation, management, decision-making and implementation of a project</li> <li><b>E-1.2b:</b> Mechanisms to regularly collect data from partner organisations</li> <li><b>E-1.3:</b> % of total project(s) value given to Global South partners in last 12 months</li> <li><b>E-1.4:</b> Country registration and payment of taxes</li> <li><b>E-1.5:</b> Representation of Global South partners in donor meetings</li> </ul>
Average scores across 4 pilot organisations	<b>Internal equity average score: 2.3</b>	<b>External equity average score: 2.6</b>
<b>Average total score: 2.5</b>		

INDICATOR SCALE	4	3	2	1
COMPONENT SCALE <i>Where the average score across indicators is</i>	above 3.2.	between 2.6-3.2.	between 1.5-2.5.	below 1.5.
SCORE ASSESSMENT	<b>MET</b>	<b>MET</b> <i>with some improvements needed</i>	<b>PARTIALLY MET</b> <i>with substantial improvements needed</i>	<b>UNMET</b>

## KEY FINDINGS FROM THE PILOT ASSESSMENTS

<p>Spotlight on equity</p>	<p>Private sector consultancies working in international development are nervous about the potential for external public scrutiny of equitable practices. Some large organisations have told us they are not yet ‘ready’ to engage in a public process comparable to The Equity Index, at least not in its earliest stages. This reflects the sensitive nature of these issues, and is an acknowledgement of how much work is still needed internally and across the sector. All development actors should reflect on the consequences of this reluctance.</p>
<p>A more ambitious approach to equity</p>	<p>From public commitments on equity to more transparency about board / staff representation, there is a long way to go if development consultancies and organisations more broadly are aiming to become leaders in equity.</p>
<p>Beyond diversity and inclusion</p>	<p>Organisations across the sector tend to work towards organisational equity exclusively within a diversity and inclusion framework - while this is important, it must be complemented by external equity initiatives to create more equitable partnerships, funding arrangements and more.</p>
<p>Power analysis</p>	<p>The ways in which organisations work with and engage partners in the Global South reflects their wider culture - oftentimes these institutional cultural practices have evolved over many years, and organisations have not systematically thought through or established processes to address the power dynamics in these relationships.</p>
<p>Internal initiatives</p>	<p>Champions within organisations in the development sector - most often People of Colour - are frequently the real drivers of initiatives to promote equity; the extent to which these groups and initiatives are supported varies and it can be difficult to make progress without support from leadership. Our work seeks to bolster these efforts.</p>
<p>External expertise</p>	<p>Expertise on equity-related issues does not necessarily exist in an organisation, and organisations have told us they would benefit from specialist resources on equity and anti-racism as they navigate the current changes.</p>

## KEY FINDINGS FROM THE PUBLIC MAPPING

<p>'Size matters'</p>	<p>In general larger organisations are more transparent than micro, small and medium enterprises (MSMEs) in relation to equity-related data on Board and senior leadership breakdowns and on their gender and ethnicity pay gaps. This is in part due to differences in the compliance requirements of legislation.</p>
<p>Internal over external</p>	<p>Most publicly available data focuses on internal over external equity - but most organisations have at least made a public statement on areas related to equity, diversity and inclusion, demonstrating that this is a priority for the sector.</p>
<p>Emphasis on gender</p>	<p>Gender data is reported more widely and consistently than data on race, ethnicity and other characteristics.</p> <ol style="list-style-type: none"> <li>1. For organisations that do publish their gender pay gap data, the mean pay gap ranges from <b>-1.6% to 36.9%</b>.</li> <li>2. Organisations with fewer than 250 employees are not legally required to publish their gender pay gap, several medium organisations are voluntarily publishing this data.</li> <li>3. Several large organisations out of our mapping sample also publish ethnicity pay gap data, despite no legal requirement to do so.</li> </ol>
<p>Limited IATI detail</p>	<p>The reporting of disbursement data (i.e. financial flows from lead or prime organisations to subcontractors and other partners) via IATI is patchy across our sample - without this data, it is impossible to obtain a full and complete picture of how much funding is reaching Global South organisations through programme delivery consortia and supply chains.</p>

# PART 3: LESSONS LEARNED

# LESSONS ON BUILDING AND PILOTING THE INDEX



1

Adopting a qualitative approach is vital: the open-ended nature of our pilot indicators allowed us to steer clear of a 'one size fits all' approach and we were able to capture an organisation's practices in a more detailed way. However some indicators proved too broad and would benefit from being narrowed in the full index.

2

Using public data alone is not sufficient for building a full and complete index that would help us achieve our Theory of Change, nor is publishing this data sufficient to bring about meaningful and equitable change in the sector.

3

The approach taken during this pilot benefited from in-depth engagement with the leadership of pilot organisations. This approach allows for a fuller understanding of equitable practices, however buy-in from leadership cannot be a requirement for future iterations of The Equity Index as this risks an element of selection bias (i.e. only the organisations that are already most committed will opt in). It is likely that future iterations of the Equity Index will involve varying levels of organisational engagement.

4

The voices and views of all staff members must be included in any future assessments done by The Equity Index - since equity is in large part a feeling, we will not be able to fully capture whether an organisation's culture feels equitable without consulting the wider team.

## LESSONS FROM CONSULTING & WORKING WITH ORGANISATIONS



1

It is vital that we focus both on internal equity and anti-racism initiatives within an organisation as well as external anti-racism and decolonisation initiatives to shift power and funding. Keeping the momentum going over the coming years is also key to ensuring that initiatives bring about the necessary cultural change in organisations.

2

Systemic change is both necessary and hard - in some instances, organisations face constraints to promoting greater equity in their practices due to inequitable policies elsewhere in the 'ecosystem,' for instance donors imposing lower pay ceilings for national consultants compared to international ones.

## WIDER LESSONS

1

Within the confines of the pilot, we were not able to comprehensively and systematically consult Southern organisations in a representative manner, even though Southern voices were represented at all stages of the pilot (including in our team) – as we develop the index further, meaningful engagement with Southern organisations must be a priority.

2

This work is hard! Work on equity can never be purely technical in nature, and therefore it is challenging.

3

This work must be properly resourced in order to avoid unintended consequences or even doing harm.

## ONGOING QUESTIONS AS WE BUILD THE EQUITY INDEX

1

How do you build an approach that pays equal attention to inequities faced by all under-represented and marginalised groups without adopting a one-size-fits-all approach?

2

Can/ should we apply the exact same standards to all organisations, regardless of size?

3

Accountability: who oversees this work? Who owns this work? Who sets the standards for this work?

4

Ownership: are we the right people to be leading this work? if we are the right people, how can we do we build a fully inclusive process?

# PART 4: RECOMMENDATIONS

## RECOMMENDATIONS FOR DEVELOPMENT ORGANISATIONS

Based on the findings and learnings from the entire pilot project, we make the following recommendations to the sector:

- 1** **Centre Global South calls for equity** and take this as the lead for all of our work - it is all too easy to fall into entirely UK-focused conceptions of equity.
- 2** Make a **clear and measurable public commitment** to improving both internal and external equity at the organisational by setting specific objectives, targets and indicators that both internal and external stakeholders can use to hold you to account and to encourage and support your progress.
- 3** Set a high bar for **publishing equity-related data** – our sector should be leading this area, but in fact we are behind.
- 4** All lead or prime organisations should **publish disbursement data** to partners and subcontractors on IATI across all relevant programmes.
- 5** **Establish benchmarks on equitable practices**, and explore the potential for standardisation on operating modalities and the requirements of equity within those modalities or even a shared understanding of what that might look like; without this there are lots of cracks that individual staff from the Global South and small organisations fall through.

## POLICY RECOMMENDATIONS FOR DONORS & GOVERNMENT ACTORS

1

**Make anti-racism central to equity-based approaches**, given the colonial roots and neo-colonial nature of the development system.

2

**Make equity central to each donor's mission and objectives**, and systematically review all policies, funding decisions and programmes for their impact on equity.

3

**Prioritise equity in donor procurement.** As with the 'value for money' and safeguarding agendas, donor governments have considerable ability to influence the practice of their contractors through their procurement rules and priorities.

4

**Measure ODA spending on tackling racism.** Unlike gender, there is no comparable way to measure, track, assess or compare donor spending on anti-racist initiatives. This should change as a matter of priority.