

2020

The Equity Index: A Concept Note

February 2020

*The Equity Index will be a UK-registered social enterprise established to advocate for greater equity across the global development sector. We will accomplish this by measuring and tracking multi-layered dimensions of equity in the **internal** and **external** practices of international development organisations and produce a yearly **ranking**.*

Why should we care about equity in development?

This concept note explains why inequity between the global North and South continues to hamper development progress and effectiveness in 2020. We make the case that the way in which organisations conduct the business of development is as important as the issues they are seeking to resolve. However, for too long development actors have chosen to either ignore or downplay crucial, political questions related to racism, sexism, power, voice, access and opportunity *within* their own organisations.

Apart from being the right thing to do, **greater equity would quite simply make development more effective**. And we cannot define whether we are getting more or less equitable over time without having a set of indicators to measure equity. To truly address power imbalances, we need to understand what equity looks like, create bottom-up ways to measure it, and hold organisations to account over it. **Once we can measure it, we can discuss it. Once we collectively see best practice, we can adopt it.**

Through the Equity Index, organisations will better understand how these issues directly affect the pursuit of their vision and mission. We will work to ensure that the principles that unite the international development community – principles of justice, fairness and rights – are operationalised in organisations' policies, programmes and campaigns. Accountability sits at the heart of the Equity Index and this concept note explains our **theory of change**; that by shining a light on the extent and effects of inequitable practices, development organisations will be encouraged and supported to improve the way they work.

Our vision and mission

We believe that measuring equity in an open and transparent way will raise awareness within and between organisations about the negative consequences of inequity, including the fact that development projects are less likely to be effective and sustainable over the long-term. Publicly releasing the results of the index will create an incentive for organisations to tackle inequity and be held to account for their progress. But the idea is not to name and shame – achieving universal, or North-South, equity 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**.

As a social enterprise, we will seek to create societal value both in the services we deliver and in the way we operate as an organisation. Our **vision** is of a world in which power imbalances between organisations in the global South and North have been transformed into equitable partnerships that recognise historical injustices and prioritise holistic well-being and dignity. Our **mission** is to place equity between the global South and North at the heart of the international development policy agenda. We will ensure that considerations of equity and equitable partnerships feature just as if not more prominently as political and technical objectives in mainstream development debates. Our **guiding principle** will be: *'For us without us is against us.'*

How do we define equity?

We acknowledge that there is **no single definition** of equity in the context of global development, and particularly in terms of the relationships between development actors operating in the global North

and South. We use the term to refer to a process of 'levelling an unequal playing field' in the development sector through a fairer distribution of resources and more equitable partnerships. If global equality is the desired end-goal, universal equity – North-South equity – is a means of achieving this.

What are the root causes of inequity in the sector?

The international development sector is characterised by significant and deeply entrenched power imbalances between the global North and the global South. These power imbalances manifest themselves in a variety of ways:

- One of the most significant is a lack of equity in the **distribution of Northern wealth** through official sources, such as foreign aid, and other sources of financing including through philanthropic grant-making. The latest figures show that *only 0.4% of humanitarian funding goes directly to Southern organisations* – the figure for wider development funding is barely higher.¹ In other cases, we see indications that some financing remains 'tied'. For example, research from the Centre for Economic Policy Research found that of the \$USD 2.3 billion given to Haiti from USAID after the 2010 earthquake, just 2.3% was awarded directly to Haitian organisations or companies, and yet 55% was awarded to organisations registered inside the US 'Beltway' of Maryland, DC, or Virginia.² This status quo ensures that power and decision-making remains with Northern organisations. And this practice continues unabated despite leading international donors setting targets to increase funding to the global South as part of the so-called '**localisation**' agenda.
- Power imbalances also manifest themselves in the **staff composition of development organisations**, where there are serious issues of racial and gender inequity. Data from the UK shows that only 6% of charity leaders are from an ethnic minority background, and ethnic minorities are also under-represented when it comes to board members and in senior management.³ In international development projects, some of which receive tens of millions of pounds of funding, senior leadership roles are frequently occupied by international, Northern consultants, instead of national consultants from the countries and areas development organisations work in.
- Inequity also manifests itself in other, more subtle ways. For instance, the way in which we use **language in development** often undermines Southern people and organisations – terminology such as 'developed' and 'developing' reinforces the idea of the global North as the norm, or the model to which the global South should aspire. We also use terms like '*beneficiaries*' and '*the field*,' which give the impression of Southern people and organisations as passive recipients of aid in places that often function as a playground for international actors to experiment in.
- Another crucial dimension is equity of **knowledge production** – Northern actors have a monopoly not only on the production of knowledge, but also on what counts as valuable knowledge in the first place. Northern organisations often drive research agendas and determine the research questions and methodologies. Southern partner organisations are subsequently tasked with the logistics and data collection aspects of development research, and are often marginalised when it comes to the analysis and presentation of the findings.

¹ Humanitarian Aid International (2017), 'As Local as Possible, As International as Necessary: HAI Position Paper on Localisation,' 13 Jan. 2017.

² Johnson J, (2019) 'Haiti By Numbers,' Centre for Economic and Policy Research, accessed 11/01/2020, [link](#).

³ Acevo, 'Pay and Equalities Survey 2019,' accessed 31/02/2020, [link](#).

The Equity Index will therefore examine equity from several different dimensions: racial and gender equity, between North and South, equity in our use of language, in knowledge production, in funding, and in building partnerships.⁴

How will the Equity Index Work?

The core activity of the Equity Index will be the *development and regular updating of an index* that measures how equitable Northern international development organisations are in their work with the global South and ranks organisations according to their performance against a set of indicators. The index will be designed to ensure that it is applicable to the broadest possible range of international development actors. This includes:

- Bilateral government donors
- Foundations
- International NGOs and CSOs
- Private sector consultancies and corporate actors
- Research actors (think tanks, universities)

The index will be comprised of two key components:

1. **Internal practices:** A high-level organisational assessment based on available data, information from related indices, case study research, and information requests to development organisations. This will include an assessment of racial and gender equity, as well as several other components related to organisational systems.

Example indicators:

- a. Existence of pro-active measures to recruit staff from ethnic minorities, including from the global South.
- b. Review of organisation's gender pay gap reports (where available)
- c. Existence of internal support groups or programmes for staff from under-represented groups.

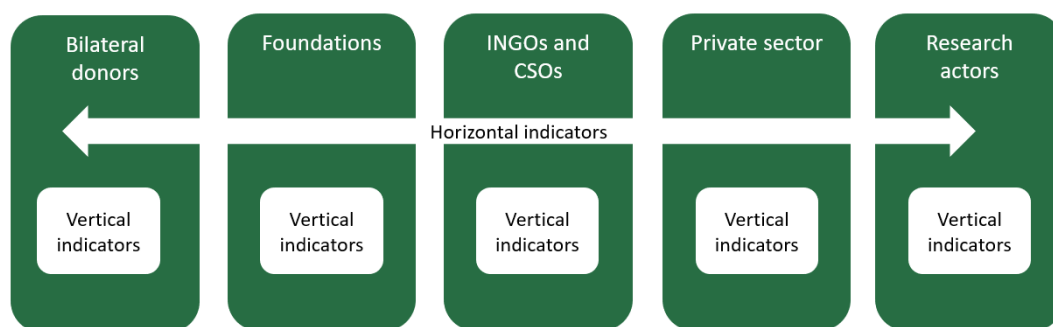
2. **External practices:** A crowd-sourcing exercise in the global South designed to gain input on what truly equitable practices look and feel like, from the perspective of those that directly participate in and experience development activities in a wide range of contexts.

Example indicators:

- a. Representation of people from the country in which the organisation operates in decision-making structures (for instance boards or advisory committees).
- b. The share of the organisation's financing spent in its headquarters, compared to country programmes.
- c. Evidence of local and national leadership in programme development and financial management.

We will develop **horizontal equity indicators** that measure the same aspects of equity across all different types of organisations and **vertical equity indicators** that are tailored to organisations in specific parts of the sector, whether it be funding, research, programming, campaigning, etc.

⁴ Martins, Alex, 'Reimagining equity: redressing power imbalances between the global North and the global South,' Gender and Development, Oxfam, March 2020 (forthcoming).



Will we aim for breadth or depth?

There is a delicate balance to be struck between creating an index based on easily available data and crafting more complex indicators that measure deeper, more meaningful change. Developing robust equity indicators will be the focus of The Equity Index in its start-up phase. It is unrealistic to assume that there is an objective definition of both internal and external equity, or to believe that equity indicators can be developed in a vacuum based on metrics determined by us alone. Therefore, the indicator development process will be a collective and iterative one, working closely with organisations in the global South who are most often at the receiving end of inequitable practices.

What makes The Equity Index different?

We are inspired by the work of other leading development indices that have helped to drive progress and improve development practice across a range of fields, including for example Publish What You Fund’s work in driving up transparency standards among development donors. While we recognise the potential for ‘index fatigue’ in the sector, we are confident that the Equity Index will fill a crucial ‘gap’ in the development system. The Equity Index is ***different, complementary and additive*** for three main reasons:

1. The Equity Index will operate as a standalone, independent social enterprise dedicated entirely to the development and updating of the index, as well as to in-depth research and targeted advocacy on the importance of fostering greater equity in the international development system.
2. Although several development-related indices already exist, none have an explicit focus on measuring equity at the organisational level. Indeed, many of these indices are aimed at the country level, rather than at specific organisations with the purpose of holding them to account. The Equity Index seeks to plug that gap and provide tailored information on specific organisational practices that can then be improved upon.
3. Existing indices, including those targeted at the organisational level, measure important issues such as aid transparency and aid effectiveness. Despite evidence of inequity in international development, equity between the global South and North is not proactively measured and there is no index available that gets to the heart of the way in which the sector operates in terms of culture, diversity, inclusion, and South-North partnerships.

Why should organisations engage with The Equity Index?

There are increasingly vocal and influential movements demanding that the development sector change its practices around ***issues of race, gender, power and representation***. This includes the #AidToo movement that developed following the safeguarding scandal that rocked the development sector in 2017, and in the UK through the #CharitySoWhite movement, established in 2019.

Much in the same way that organisations in the UK advertise their ranking in the Stonewall Workplace Equality Index in their marketing and internal communications, we will encourage international development organisations to strive for excellent performance in relation to measures of equity. Performing well in the Equity Index should be a badge of honour and an indication that organisations are living up to their own stated vision and mission. The Equity Index will provide opportunities for organisations to demonstrate, be acknowledged for, and share real **leadership** in different measures of equity and we will proactively create spaces for organisational leaders to reflect on their practices.

Advocacy and Communication

The Equity Index will generate new data, insights and learning about the operations of development organisations and their approach to equity. Advocacy will be important to the Equity Index from the outset, as the learning gleaned from the indicators will be used to encourage – and, where necessary, to powerfully advocate for – more equitable practices. Our team will work to become a leading source of policy and research expertise in this area, and we will use this expertise to influence political actors and other leaders across the development sector in support of policies and initiatives that promote greater equity.

As the Equity Index will be the first index to assess international development organisations using indicators that have not thus far been measured, we are well placed to secure media coverage and to generate interest from the wider development community including from political leaders, academic voices and others.

How will The Equity Index achieve financial sustainability?

The initial development of the index methodology and online database will be funded through grant finance. Once the index is up and running, we will provide the following consultancy and advisory services in order to generate sustainable income over the medium and long-term:

- In-depth organisational equity assessments and audits
- Equity assessments of individual programmes or projects
- Organisational training on equity, including racial equity, implicit bias and equitable partnerships
- Standalone research projects related to equity

These services will be provided collectively to groups of organisations within the categories used by the index to encourage cost sharing and thereby enable smaller organisations to access the same levels of training and resources as larger ones.

Governance Structure

The Equity Index will strive each day to uphold its own values. Because of this, we will adopt a horizontal organisational model, ensuring that we practice equity in our own decision-making structures. We will register The Equity Index as a social enterprise in the UK, with ambitions to scale up internationally and with physical presence in the global South. The Director of The Equity Index will be someone from (but not necessarily based in) the global South. We will aim for a 70/30 balance of Global South to North in the rest of our team composition. All aspects of diversity will be actively considered when recruiting the team, including race, gender, sexual orientation, and disability. Once the team has been recruited, we will all undergo the full range of training courses that will be offered to organisations as part of The Equity Index, including on racial equity, implicit bias, difficult conversations, etc. and we will document and publicly share our first-hand experiences and lessons learned.

The Equity Index team

The pre-start-up phase is being driven by Alex Martins, supported by The Advocacy Team and an advisory council comprised of eight senior development experts from both the Global South and North.

Alex is an independent researcher, facilitator and advocate dedicated to creating evidence in support of a reformed international development system. She has extensive experience working for the Independent Commission for Aid Impact (ICAI) service provider, reviewing UK aid spending across government. In 2019, she served as a Visiting Fellow at the Institute of Development Studies (IDS) conducting research on the perception of Southern governments vis-à-vis Northern donor policies to transition away from traditional bilateral aid flows. In addition, she has a strong background in research and analysis on Fragile and Conflict-Affected States (FCAS), with experience delivering high-profile projects for a range of donor organisations, including DFID, the United Nations, USAID and the Swiss government. She holds an MPhil in Politics from the University of Oxford and a BA from the University of Pennsylvania in International Relations and Theatre Arts.

The core team members for the start-up phase of The Equity Index will be:

- Director
- Research Director (Alex Martins)
- Advocacy Advisor (short-term consultant)
- Statistician (short-term consultant)
- Web designer (short-term consultant)
- Researchers (short-term consultants)
- Organisational trainers (suppliers)

Over time, we will also recruit for the following positions:

- Communications Expert
- Fundraising Lead
- Campaigns and Advocacy Lead

What are the next steps?

Once start-up funding is secured, The Equity Index will conduct its work over three phases:



Support our Work

We are now actively working to raise the financing for the start-up phase of the Equity Index. If you would like to find out more, give us feedback or advice, or would like to get involved and support our work, please get in touch with Alex Martins: am@alexmartinsdev.com. For future updates, please see: www.theequityindex.org.

