

International NGOs in a fractured world – challenges and questions

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International NGOs were a significant facet of the rules-based international order underpinned by universal human values and liberal democratic political principles. From around 2005, the effects of the “War on Terror”, democratic backsliding and nationalist populism began to converge to challenge the old order, and hence too the operating environment for NGOs. The change was not abrupt or catastrophic, though, and NGOs had the time and space to adapt.

With Trump’s second term as US president, the rules-based order has fractured, partly because the US, one of its principal pillars, lost faith in it. In just over a year we have entered into a new age in which power, transactionalism, and relative advantage now predominate over shared values at the international level. Thus, the political sea in which NGOs swim has undergone a catalytic shift. The water was once breathable and sustaining, even if it was becoming murkier. Now, it has lurched towards toxicity, and NGOs urgently need to find ways to adapt to sustain their impact.

Here, we briefly suggest some of the main challenges that this new world disorder presents to international NGOs, then, and more importantly, some of the hard questions that NGOs will need to address in order to effectively adapt to the current and emerging environment.

Problems that NGOs help with will become more acute

Even as NGOs face new pressures from recent systemic changes (we discuss those in the following section), they intensify the problems that NGOs historically help to address.

Civil conflict and instability, with a consequent rise in and intensification of conflict-driven humanitarian crises, will likely worsen.

- Rival powers are increasingly exploiting socio-political fault lines in developing countries in order to gain control over critical minerals and other strategic resources, with little regard for the implications for host country peace and stability.

- A decline in global climate action cooperation, driven in part by the tendency to refocus on narrow national interests, will worsen global warming, which in turn will drive and intensify localised conflict over water and arable land.
- The erosion of the rules-based order is reducing the political will and means to collaborate on conflict resolution and peacebuilding – there will likely be more “forever wars” and fragile and failed states, even accounting for the rare instances when great power interests or political reputations are served by conflict resolution.

Climate change and global warming will accelerate, both creating and feeding into hardship and humanitarian disasters.

- The US withdrawal from climate action has itself reduced global momentum, and it also affects political will in other countries.
- China’s having effectively captured the greentech market has politicised tech-reliant climate action initiatives, especially in the context of the US-China economic rivalry.
- The growing tendency to focus on national interests reduces the political will to spend on initiatives that have global benefits, such as climate action.
- Climate change will worsen, and poor countries either facing flood or drought hazard will see more frequent and intense disasters, and climate-related socio-economic issues will worsen.

A decline in the support for human rights and adherence to human rights principles is leading to increased violations and growing impunity.

- Authoritarian powers’ efforts to diminish and displace “Western” human rights principles in multilateral organisations have had, and will continue to have, an effect.
- The US Trump administration’s ambivalence towards human rights and its reduction of participation in, and support for, relevant transnational bodies removes a significant if imperfect lynchpin in the global human rights enforcement regime.

- Strategic contestation over AI and its interpretation as a national security and economic asset will inhibit the formation of global AI governance frameworks, and leave open the pathway for its exploitation for government surveillance, manipulation and control.

Purely in terms of mission, then, NGOs are facing more daunting problems which would seem to require them to be at their best. But the same global political shift that is driving more dire humanitarian and development challenges is also undermining NGOs' role, status and effectiveness.

International NGOs are facing intensifying and new pressures

As the world increasingly fragments according to “us and them” dynamics, loses focus on shared values, and eschews the long view for short-term transactional gains and leverage, NGOs are finding their global political operating environment to be increasingly unreceptive and even unfriendly.

Political commitment to international aid and hence national aid budgets are declining.

- US allies are increasing defence spending to fill the gap left by the US' reluctance to provide security support and guarantees. Aid budgets are among the first to face the axe to fund defence because aid reductions have minimal domestic political impact.
- Centrist governments increasingly cater to nationalist populist sentiment in order to prevent voter desertion to far-right parties. This includes appearing to firmly put one's own citizens first, rather than spending for the benefit of other countries' societies.

Donor government aid is increasingly becoming a foreign policy lever – NGO operations funded by donor grants, and NGOs which heavily rely on official donor funding face a higher risk of being construed as agents of a state's foreign policy.

- The 2008 financial crisis, combined with Western country participation in the “War on Terror”, led to a trend of subsuming aid agencies into foreign ministries – there are now very few independent aid agencies, and even in those cases governments increasingly expect aid activity to align with foreign policy imperatives.
- Nationalist populist pressure on centrist governments has increasingly led to the framing of international aid in terms of benefit to the national interest.

- The erosion of alliances has led governments to scramble to build their national leverage, and this has added to the pressure to instrumentalise aid.

NGOs face increasing political expectations and indeed pressure to align with national security imperatives.

- In Western states, the “War on Terror” saw a surge in regulations governing NGO activity, aimed at ensuring that foreign terrorist groups did not benefit from donor-funded operations. As international insecurity increases and alliances weaken, donor governments will again feel compelled to ensure that NGO activity is risk-free from a security perspective.
- In developing and transitional countries, since 2005 there has been a steady increase in restrictions on civil society organisations’ (CSO) and NGOs’ formation, funding and activities, and strictures are tightening as host country governments feel less secure, and more confident that they can squeeze civil liberties without incurring Western criticism.

NGOs have become pawns in the contest between liberal democratic and nationalist populist political tendencies.

- The political mainstream’s respect for NGOs’ space and independence is coming under pressure as centrist ruling parties try to coopt far-right voters or prevent voter desertion. While most Western governments still broadly uphold a commitment to an open civil society, there is increasing discussion around foreign agent laws, state donor-funded NGOs’ right to advocate, and more onerous auditing.
- The saga of the European Union’s Scrutiny Working Group on NGOs encapsulates the above tendency. A reasonable interpretation is that the centre-right EPP parliamentary bloc thought that by singling out EU-funded NGOs for scrutiny, it could win some of the nationalist support enjoyed by the far right, and perhaps even build bridges with far-right parties for potential voting majorities. While the Working Group has been widely seen as a political gimmick, it illustrates the precarious position of NGOs in increasingly polarised political environments, wherein NGOs’ perceived affiliation with liberal democratic and globalist values makes them an easy political target with which to try to score points.

NGOs are seeing a decline in trust among their home country and region societies, with consequences for individual donor funding and for governments' treatment of NGOs.

- Political polarisation, the national security imperative, and low-profile state operations in developing countries aimed at controlling resources have all contributed to the formation of obscure forms of “non-profit” organisations aimed at ideological advocacy, foreign influence or covert paramilitary activity. Although the effect is nascent, this is starting to warp the meaning of “NGO” and risks affecting public confidence in NGO neutrality and professionalism.
- There has been a general decline in public trust in NGOs, and in NGOs’ perceived legitimacy, in home regions of international NGOs. Historically, NGOs have been one of the most trusted institutions, yet according to the Edelman Trust Barometer, trust has been declining in recent years, and since approximately 2020, businesses have steadily become more trusted than NGOs. A reason for that growing divergence could be that international NGOs seemed irrelevant to home societies’ covid-related tribulations, while businesses were instrumental to sustaining supply chains and to subsequent economic recovery. It is likely that the ongoing rise of nationalist populist sentiment has also contributed to the decline in trust. Private individual funding used to be NGOs’ hedge against changes in government aid policy and budgets, but it has declined in sync with trust, and is no longer a reliable hedge.
- Politicians of all stripes are well aware of the above trend, and have fewer inhibitions about criticising NGOs when they are seen as on the wrong side of official policy, or when their activity is politically inconvenient.

International NGOs operating in risky environments will face even fewer political protections.

- US and allied combat operations during the “War on Terror” often saw little regard for potential harm to international NGOs and their host country beneficiaries, and indeed sometimes NGOs were seen as an obstacle to effective counter-insurgency. There is likely to be increasing great and middle power paramilitary activity in conflict-prone countries as the resource race gains pace, and NGOs in the path of this activity can expect few to no concessions to their safety.
- Western donor governments at least sometimes used to exercise their diplomatic and political clout to support NGOs facing host government repression or intimidation. In the current

scramble for strategic autonomy and national leverage, it is unlikely that a government would risk useful political relationships to support a hard-pressed NGO, although this would vary depending on the context and the specific governments in question.

What we will see then, is sharply declining donor funding, increasing political pressure and manipulation, decreasing trust and individual funding, and increasing hazard on the ground. Thus, the changes in the global political environment which are making life worse for NGOs' beneficiaries are at the same time reducing NGOs' ability to support beneficiaries.

To plan adaptation, international NGOs need to ask themselves some hard questions

There has already been some thinking about the options NGOs might have to adapt to a harsher, more stingy global environment in which they do not seem to be particularly welcomed by governments and other political actors. A consideration of options is useful, but beforehand it would be instructive to ask some challenging questions aimed at getting to the heart of some of the trade offs and dilemmas that NGOs will need to address as they plot their way forward. Each of the six questions that follows warrants considerable elaboration, but here we will keep them relatively brief. We can note that these are only a few possibilities, and that the suggestions within each are only to help flesh out the question's direction – what is feasible and useful would significantly vary by sector and organisation.

Is it necessary or optimally beneficial that we remain a separate, individual NGO?

It's already a crowded space and funding is going to get tighter. This will cull the herd, and valuable NGOs could die off in the process. There could be opportunities for NGOs to merge, with common HQ functions supporting different divisions focusing on different specialisations or geographies. Or perhaps NGOs could collaborate to create a joint "corporate services" unit that reduces the duplication of support functions across members of a consortium.

Should we stop being an NGO and instead focus on helping local and national organisations to do the job?

This could address two issues: the international NGO space is very crowded and is facing a funding crunch, plus despite awareness of the problem, most funding still goes to international NGOs, leaving local organisations acting as junior partners to foreign experts. Rather than trying to sustain oneself as a standalone operator, an international NGO could transform into an advisory organisation helping local

actors to access funding and get better at their own missions. This could have more sustainable impact in the long run. In addition, developing country governments might support this model, since it would increase home-grown resilience and likely also give governments an opportunity to better align NGO capacity with national development planning, and with government coordination efforts in the case of humanitarian responses.

Can we see ourselves as a business?

Who would pay for what the NGO does, and what else could the NGO do to earn money? Pooling smarts and resources with like-minded organisations, NGOs might have an opportunity to become their own endowment foundations with impact investing and development bonds sidelines. A social enterprise could directly work with communities to jointly earn profit while enhancing local management skills. A consulting arm could work on paid projects for governments with specific expertise gaps, or for companies seeking expertise for their corporate social responsibility initiatives. Profits could fund pro bono advisory work with local civil society organisations, and / or fund the NGO's / company's own core work. Donor funding is not just becoming scarce, but more onerous in administrative terms. Self-financing is about survival, but it might be very liberating too.

Is it time to stop worrying about neutrality?

NGOs try to be neutral, and try not to get defensive when political actors sling mud. But political polarisation is making it difficult to maintain neutrality – like it or not, legitimate NGOs are seen as firmly on one side of an increasing socio-political divide. It might make life easier to accept this, and it might grow empathy with the NGO among likeminded segments and governments, perhaps even opening up more consistent funding streams. Alongside this, maybe it's time for NGOs to defend themselves better, deterring fake news attacks and political pressure through research-driven exposés, pooled legal expertise, and their own social media savvy. There have been excellent reasons why neutrality is important for NGOs, and why they try not to be political actors in their own right, but diminishing global consensus could be obviating those reasons.

Can we explain why our work makes “you” safer or more prosperous?

During a workshop in 2019, I asked the NGO participants if they could explain the value of their work in purely instrumental terms, to someone who was more or less oblivious to what was going on in the world beyond their doorstep and for whom overseas social challenges were an abstraction at best. No one really could, but in this age of transactionalism, NGOs are going to have to think about their value

proposition more in cost-benefit terms. For example, NGOs help other societies to become prosperous and secure. So doing, NGOs help to reduce the likelihood of state failure, and hence also refugee crises that result in sudden waves of migration, and the formation of ungoverned spaces which transnational terrorist and criminal groups use as bases. All of that makes “you” safer. An interesting thought experiment would be trying to convince Donald Trump of one’s utility. Of course ethics matter, but the erosion of shared global values is a fact, and NGOs need to be better at conveying the tangible benefits of their work to audiences mainly interested in the national interest and indeed their own personal interest.

Does it matter if people “at home” know us and think we’re valuable?

Many larger NGOs, like multinational companies, don’t even have an actual home anymore, and this is likely a factor in declining trust in countries where NGOs originate and still have significant roots. Additionally, it is very likely that a villager in Malawi or a street kid in Mosul knows international NGOs and their people far better than most residents of Brighton, Calgary or Cologne. NGOs could have an opportunity to increase trust by applying their expertise at home to help with pressing socio-economic issues, and outreach, education and communication on the home front would put a human face to an NGO. Not only would this build trust, but it would also help to counter hostile far-right spin, and it would make politicians think twice about using NGOs as political punching bags.

Some of the above questions might seem rather absurd, but from a historical standpoint it is an absurd time and we need to stretch our thinking if we are going to find ways to manage within it. “Crazy” questions are a useful tool for breaking out of patterns of thinking formed in bygone contexts. The fundamental point remains: NGOs once had a strong fit with the international system, and now they don’t, at least not as they are currently conceived. There is still a strong need for the support that international NGOs provide, but given contextual changes, sticking only to old organisational and operational modes could well start to hurt effectiveness and relevance in the not too distant future.