Connecting Scotland: how Scottish organisations engage internationally

Challenges Worldwide

At Challenges Worldwide our primary activity is supporting businesses in lower income countries to grow in market systems which offer inclusive and fair economic opportunities for poor people. We believe that by supporting the development of fair and inclusive local economies we can help alleviate poverty and bring a lasting positive impact to communities in low and middle income countries.

We support entrepreneurs and enterprises to strengthen their skills and abilities, connect to finance and trade opportunities. These inputs help them grow businesses that generate income, sustainable economic growth and impact for poor people.

Our activities include capacity building, business support and research provided through mentoring services, online skill development training, online business growth tracking and providing consultancy solutions. Below is a brief outline of our three primary areas of activity.

Capacity Building

We facilitate learning and strengthen the skills of local entrepreneurs and small and medium-sized businesses to stimulate economic growth by working with young business students and budding entrepreneurs both from the UK and overseas to work in SMEs in Africa through the International Citizen Service’s Entrepreneur programme (ICSE).

Business Support

We identify and recruit skilled professionals who have worked at a senior level in industry and place them to support local businesses in low and middle-income countries. We match the needs of our clients with skilled and experienced volunteers to ensure they receive the support and results they need. Our associates have skills in business planning, financial management, marketing and organisational development to meet the needs of high-potential fledgling businesses.

Our expert associates will normally spend around 3 months providing specific support on projects to generate income, employment and sustainable economic growth. The support can range from developing a business plan for a small food production company that is looking for loan equity, to recruiting a senior management team for a large social enterprise.

We have over fifteen years of experience and have successfully assisted hundreds of organisations in more than forty countries.

Research

Challenges Worldwide works with many universities across the UK to provide research students to organisations and business in lower income countries in a variety of areas
including business support, medical services, WASH, environmental preservation and peace building. Students will be involved in field research or business diagnostic services that can feed back to organisations on areas in which support is needed in the communities and sectors within which they work. We also have a long term research programme understanding the barriers to growth for small and medium local businesses in low income markets.

Are We Effective?

We are successful in providing sustainable economic opportunities for people in developing countries through our services and we have a small cost effective global headquarters team in Edinburgh with branch offices in Ghana, Uganda and Zambia as well as delivery partnerships in Malawi and Sri Lanka and a local partner network extending beyond 30 countries.

We are an international social enterprise which is a very small sector in Scotland. However, there are success stories such as INSP, CEIS and Challenges Worldwide and we do receive assistance from the Scottish Government’s support for Social Enterprise.

What Would Help Us to Make Improvements?

Looking at what is being supported through the current funding model of the Scottish Government’s International Development programme and what is being rejected, the current international development grants programme does not seem to be able to support innovation being delivered by a Scottish agency. The structure of the projects being supported is reminiscent of the type of work that was once supported by foundations in the 1980s and 1990s, rather than that which would now be considered innovative by a bi-lateral agency like DFID or similar.

What prevents us from making improvements now?

We have to compete for UK level financial support, which we succeed in doing, but it could be made easier by having the same strategic support as other agencies get from their governments in small countries. For Challenges, the bulk of our support comes from sources outside Scotland where support by the public sector in our area of work is more readily available and highly encouraged, for example by agencies like DFID who are at the forefront of development thinking innovations in private sector development.

Why is this an opportunity for the Scottish Government?

There are a limited number of actual organisations that are long established and headquartered in Scotland that are proven to be effective. There are hundreds of voluntary and informal entities that look to provide charitable services and there is significant value in philanthropic ventures such as these. However they have been informal and are often transient so have limited capacity to deliver in the longer term and on a rolling basis. For more established organisations in Scotland they move with the times, with policy and with
the ongoing changes in the development sector. We continue to evolve and add value to
global development trends and it would be beneficial if the Scottish Government would
support this limited number of organisations to offer something innovative and uniquely
Scottish to the international arena.

This would require a fundamental change in approach away from the current set up which
appears to support projects presented by outreach arms of UK wide organisations which
cannot get support for those projects from other sources.

**Improving the effectiveness of Scottish organisations**

For smaller organisations, which make up the majority of the Scottish international
development sector, effectiveness is driven by individual effort and commitment more than
longer term organisational development. This individual effort is a key element in whether
smaller Scottish organisations are able to deliver at all and should be supported as much as
possible. Entities such as NIDOS are very useful in achieving overall effectiveness for
individuals through providing tools, networking and support to Scottish organisations and
they’re activities should continue to be supported by the Scottish government.

For larger organisations the approach taken in Scotland to international development could
be similar to that of most small countries and indeed larger entities such as the UK; that
approach being the use of **Programme Partnership Agreements (PPAs)** or similar
strategic support instruments.

This approach has been very successful and we would encourage its adoption in Scotland
to support innovative and uniquely Scottish international organisations in the future. There
is such a small number of these organisations in our country, that the cost of this support
would not need to be substantially greater than the current spending pattern of the Scottish
Government in international development. The difference would be that Scottish tax payer
money would be being invested in support of Scottish organisations to deliver sustainable
and strategic work alongside similar agencies from other countries who benefit from this
type of support from their own governments. The administrative burden of this type of
support is substantially less than the current competition based funding round model (i.e.
there would be no ongoing requirement for external bid management and probably no need
for outsourced monitoring and evaluation either) and it would enable the focused, strategic
development of a small portfolio of uniquely Scottish, innovative agencies to be able to
represent our country on the international stage alongside agencies from other small
countries which already achieve substantial recognition for themselves and their countries.

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