



2022 NGO FUTURES

NGO LEADERS ON CURRENT & FUTURE CHANGE

CEO Survey Report

ABOUT INTERACTION

Founded in 1984, InterAction is the largest alliance of international NGOs and partners in the United States. We mobilize our Members to think and act collectively to serve the world's poor and vulnerable, with a shared belief that we can make the world a more peaceful, just and prosperous place—together. Learn more at [Interaction.org](https://www.interaction.org).

ABOUT THE CENTER FOR NONPROFIT STRATEGY AND MANAGEMENT (CNSM)

The Center for Nonprofit Strategy and Management (CNSM) was established in 2007 to support current and future nonprofit professionals through research, education, and public engagement. Housed within the Austin W. Marxe School of Public and International Affairs at Baruch College, City University of New York, CNSM is Baruch's hub for the nonprofit and international NGO community. Learn more [here](#).

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WELCOME

During this unprecedented time, 115 executives responded to the InterAction NGO Futures 2022 annual survey, representing the full spectrum of size and diversity across international development, humanitarian response, and advocacy organizations.

A few points were made clear when looking at the data. International NGOs recognize that the world is changing at a fast pace. They understand they must adapt. And, because of adaptation, they have also become more confident in their resilience.

We invite you to use this data to spark action within your organization. Below are some questions to help guide you.

Thank you to the CEOs who made the time to share their insights.

Together we are stronger.

Let this report spark action. While reading, ask yourself:

- How does my organization stack against the trends?
- Is there widespread movement in an area or program that I might want to explore at my own organization?
- How do I feel about my organization's effectiveness?
- What would I like to further unpack with peers? (Do let us know.)





THE BOTTOM LINE

In January 2022, InterAction conducted its fifth-annual survey to assess perceptions of the changing global development and humanitarian operating ecosystem, how non-governmental organizations (NGOs) are responding, and where they want help. 115 InterAction Member organization CEOs shared what the changing world means for their organizations.

Sample Distribution: Organization Size
using annual revenue as a proxy

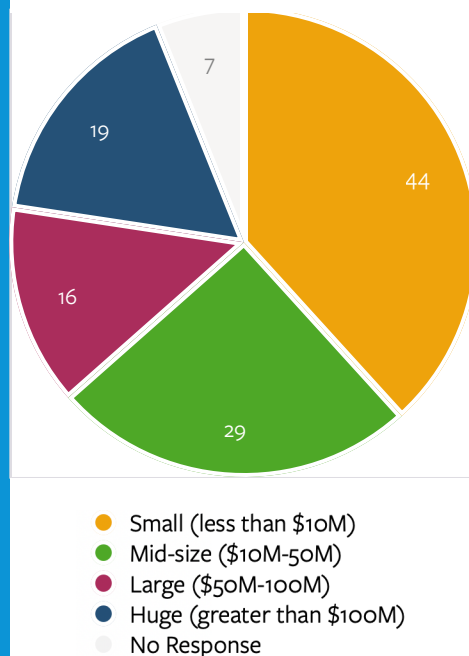


Figure 1. Distribution of Respondent* Organizations by Size



Braden Gunem, "Wind Farming"

HERE ARE OUR THREE MAIN TAKEAWAYS

I. ORGANIZATIONAL STABILITY WITHIN THE CHANGING WORLD

CEOs agree--the external operating environment continues to change. They also perceive their organizations are keeping up with the rate of change. Moreover, a sense of vulnerability to significant business model disruption is dropping compared with the [year prior](#).

II. INTERNAL IMPACT AND INTEGRITY ADJUSTMENTS

Survey responses suggest organizational stability has come with great attention and effort. Many organizations—particularly huge organizations—are significantly adapting their business and operating models and making significant program changes.

- Three-fourths of organizations are shifting operating models, and half are shifting program priorities in response to COVID-19 and its effects.
- Almost 60% of organizations are making significant business model changes. Mergers and acquisitions are on the decline, and fewer organizations are planning significant social enterprise collaboration or deployment.

III. ACTION PRIORITIES

We polled prioritized action—both collectively and for individual organizations.

- **Power shift / power sharing/ localization** across programming was the top trend to address, both by the collective InterAction community and by individual organizations. About 88% of responding CEOs reported increased localization in 2021, and three-fourths of organizations are considering or advancing both working differently with local actors and geographically dispersing authority.
- **Climate change and environmental degradation** held firm in second place for collective action and third place for organizational action.
- **Though race and social justice tensions / DEI** fell in priority when ranked against other major enduring trends, organizations are advancing from developing to executing their diversity, equity, and inclusion (DEI) priorities.

I. ORGANIZATIONAL STABILITY WITHIN THE CHANGING WORLD

The 2022 survey reveals three big takeaways regarding organizational stability within the changing world.

1. The external operating environment continues to change significantly.
2. The majority of CEOs believe they are keeping up with the rate of change.
3. Initial fear of COVID-19 impacts on stability have not materialized.

TAKEAWAY #1: THE EXTERNAL OPERATING ENVIRONMENT CONTINUES TO CHANGE SIGNIFICANTLY.

Since this survey's inception in 2018, CEOs confirm significant change within their organizations' external environments.

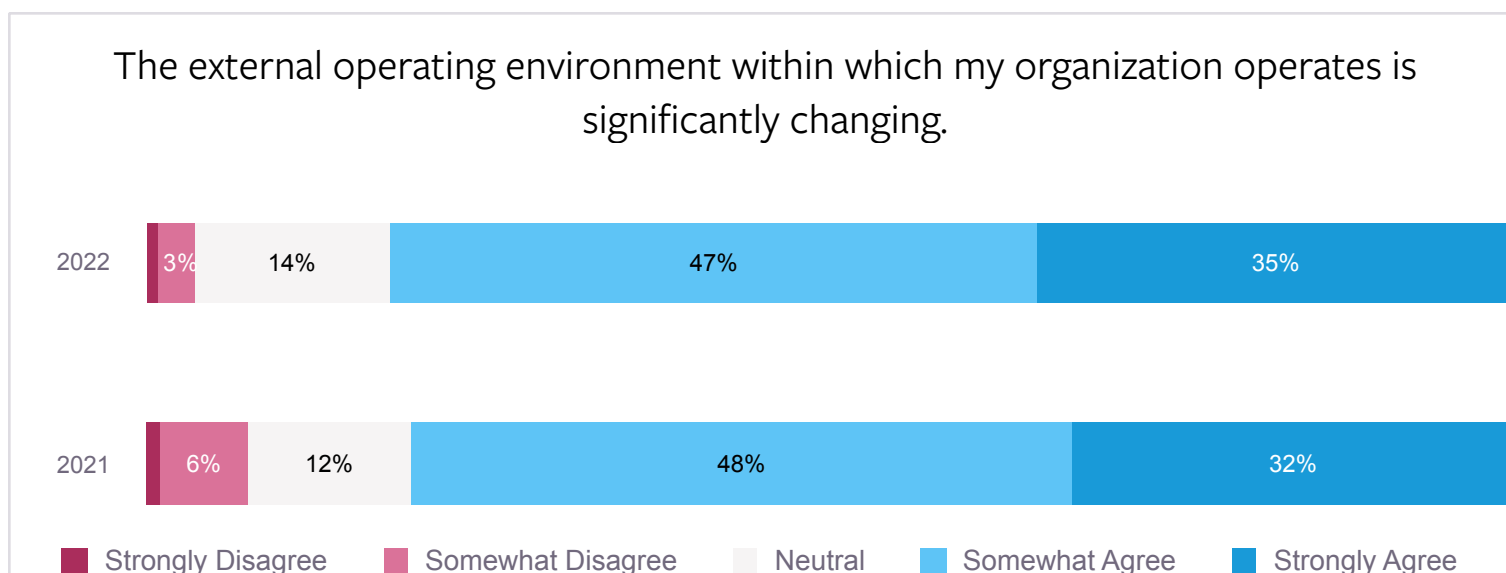


Figure 2. Perceived rate of external environment change, 2021 and 2022

About 82% of respondents somewhat or strongly agree that the external environment within which their organization operates is significantly changing – consistent with 2021 (see Figure 2). This is particularly noted by CEOs of huge organizations, three-fourths of whom strongly agree.¹

TAKEAWAY #2: THE MAJORITY OF ORGANIZATIONS BELIEVE THEY ARE KEEPING UP WITH THE RATE OF CHANGE IN THE EXTERNAL OPERATING ENVIRONMENT.

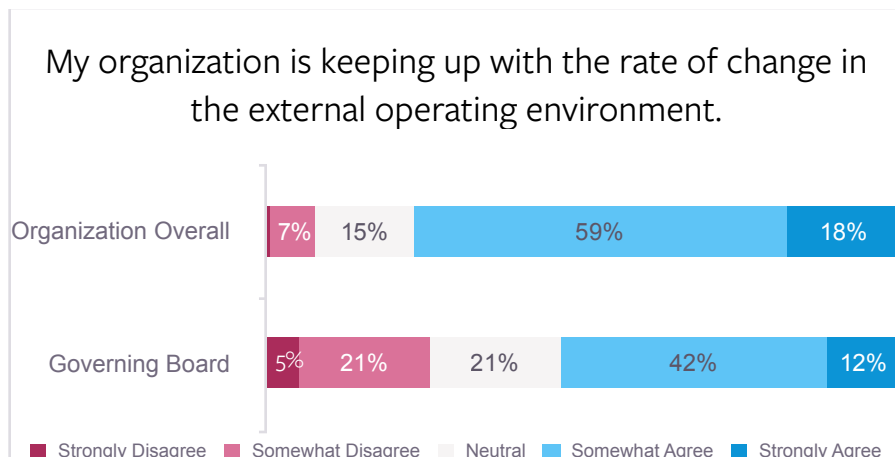


Figure 3. Keeping up with external change

Consistent with 2021, most leaders at least somewhat agree that their organization is keeping up with the rate of change in the external operating environment (77%). Fewer (54%) agree that their governing board is keeping up (see Figure 3).²

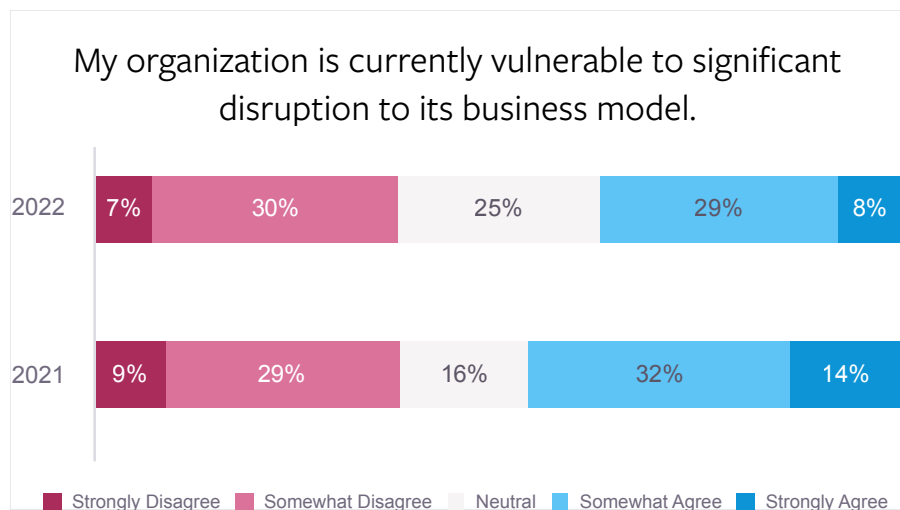


Figure 4. Vulnerability to significant business model disruption

Perceived vulnerability to significant business model disruption is dropping. In 2021 46% of CEOs indicated organizational vulnerability. This number dropped to 37% in 2022 (see Figure 4).³

FUN FACTS: EXTERNAL OPERATING ENVIRONMENT

- The great news is that 77% of organizations agree that their organization is keeping up with the rate of external change. Sense of vulnerability to significant business model disruption is down, dropping from 46% a year ago to 37%.
- 60-70% of respondents disagree that COVID has resulted in significant funding losses or will over the next few years. This is particularly true for huge organizations.
- Approximately 15% agree that impacts from COVID-19 have or will result in significant funding losses for their organization.
- 8% of organizations do not see their organization keeping up with the rate of external change.

TAKEAWAY #3: INITIAL FEARS OF COVID-19 NEGATIVE IMPACT ON STABILITY HAVE NOT BEEN REALIZED.

Knock-on effects of COVID-19 results in significant funding losses for my organization:

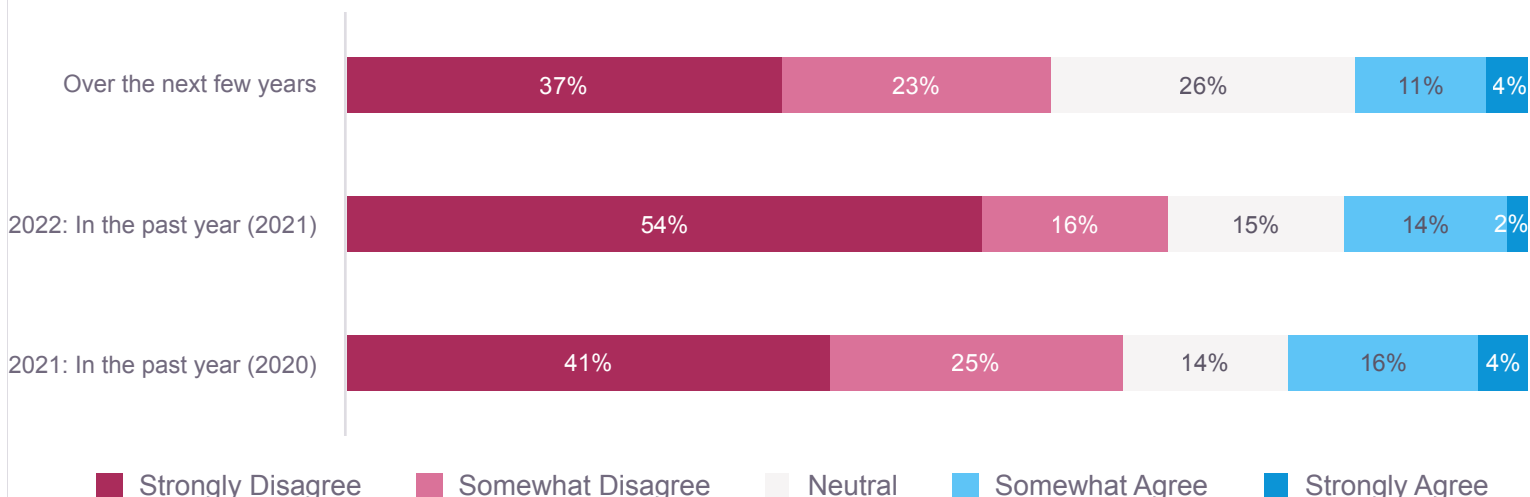


Figure 5. Impacts of COVID-19 on funding

When COVID-19 landed firmly in the United States in the spring of 2020, there was widespread concern about how it would impact the global economy, the domestic economy, and member organizations' abilities to access the funding necessary to fulfill their missions.

Counter to initial concern, most leaders do not think knock-on effects of COVID-19 have resulted in significant funding losses for their organizations (see Figure 5). Rather, responses suggest that some organizations may even be experiencing funding gains. On average, 54% of organizations strongly disagree that knock-on effects of COVID-19 have resulted in significant funding losses for their organization in 2021, and an additional 16% somewhat disagree. Exploring by size, this is even more true for huge organizations, where 68% strongly disagree it has resulted in significant funding losses.

A small proportion of organizations, 15%, indicated experiencing and anticipating significant funding losses from the knock-on effects of COVID-19 over the next few years.

In 2022 CEO responses 86% of organizations accumulated financial reserves in the past year – even more organizations than the unexpectedly large number from the previous year (80%) (see Figure 6).⁴

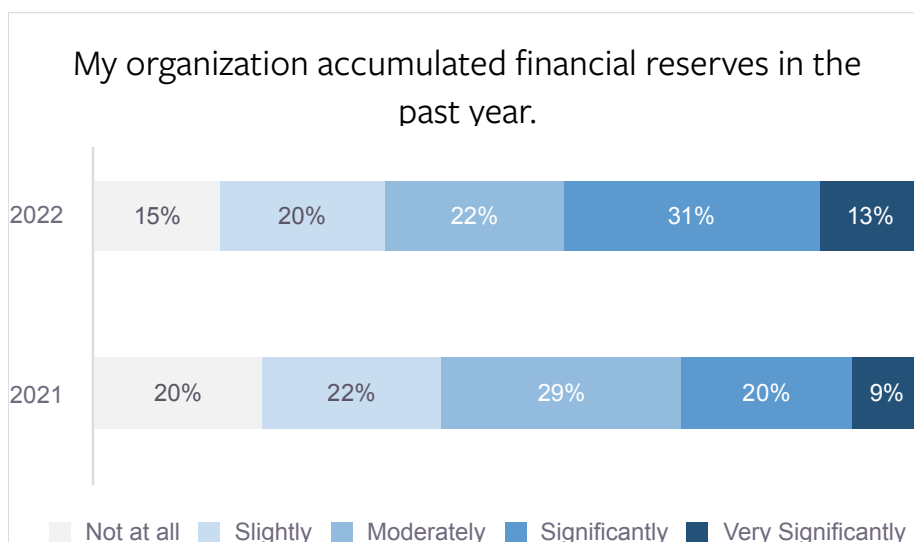


Figure 6. Financial reserves accumulated in the past year

About 68% of organizations slightly or did not eliminate functions, offices, or programs in 2020 or 2021 (see Figure 7).⁵

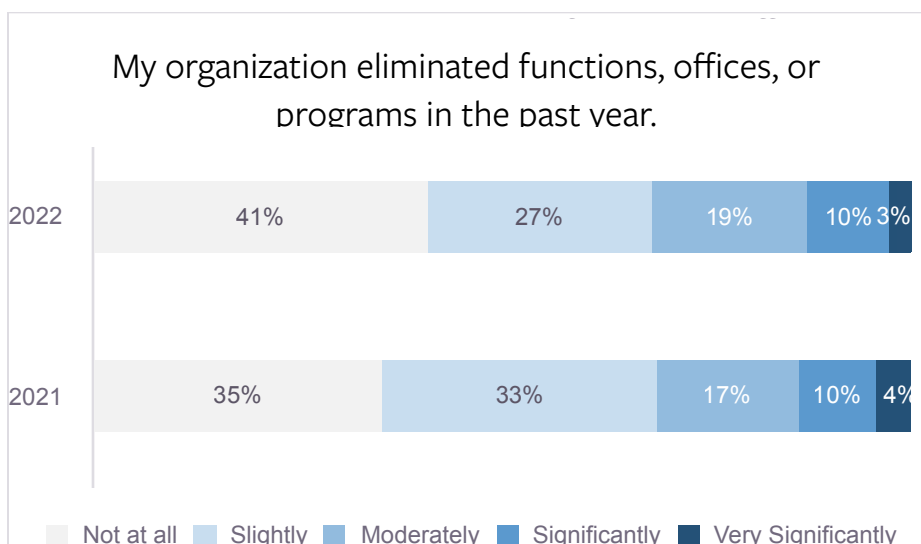


Figure 7. Functions, offices, or programs eliminated in the past year

“COVID has resulted in significant program growth for our organization, and we are struggling to keep up with mature support systems (finance, HR, IT, procurement, compliance) to handle this growth while doing more and more of our work in a virtual and global environment.”

—Survey Respondent





Eduardo Seastres, "Curiosity"

II. INTERNAL IMPACT AND INTEGRITY ADJUSTMENTS

The 2022 report reveals three big takeaways regarding internal impact and integrity adjustments.

1. The majority of organizations—particularly huge organizations—are making significant business model changes.
2. Much of the sector is involved in significant program changes, including new lines of programming.
3. COVID knock-on effects sparked shifting operating models and program priorities.

TAKEAWAY #1: THE MAJORITY OF ORGANIZATIONS—PARTICULARLY HUGE ORGANIZATIONS—ARE MAKING SIGNIFICANT BUSINESS MODEL CHANGES.

Resilience in a changing world is no accident. Leaders are actively adapting their organizations.

As shared above, organizations see significant external operating environment change. The majority also believe they are keeping up with the external rate of change. The sense of vulnerability to significant business model disruption is dropping. And organizations generally disagree that there is significant financial loss from COVID-19 knock-on effects. Here is how organizations are adapting.

Almost 60% of organizations are planning, executing, or evaluating significant business model changes (see Figure 8). Organizations are increasingly choosing not to change.

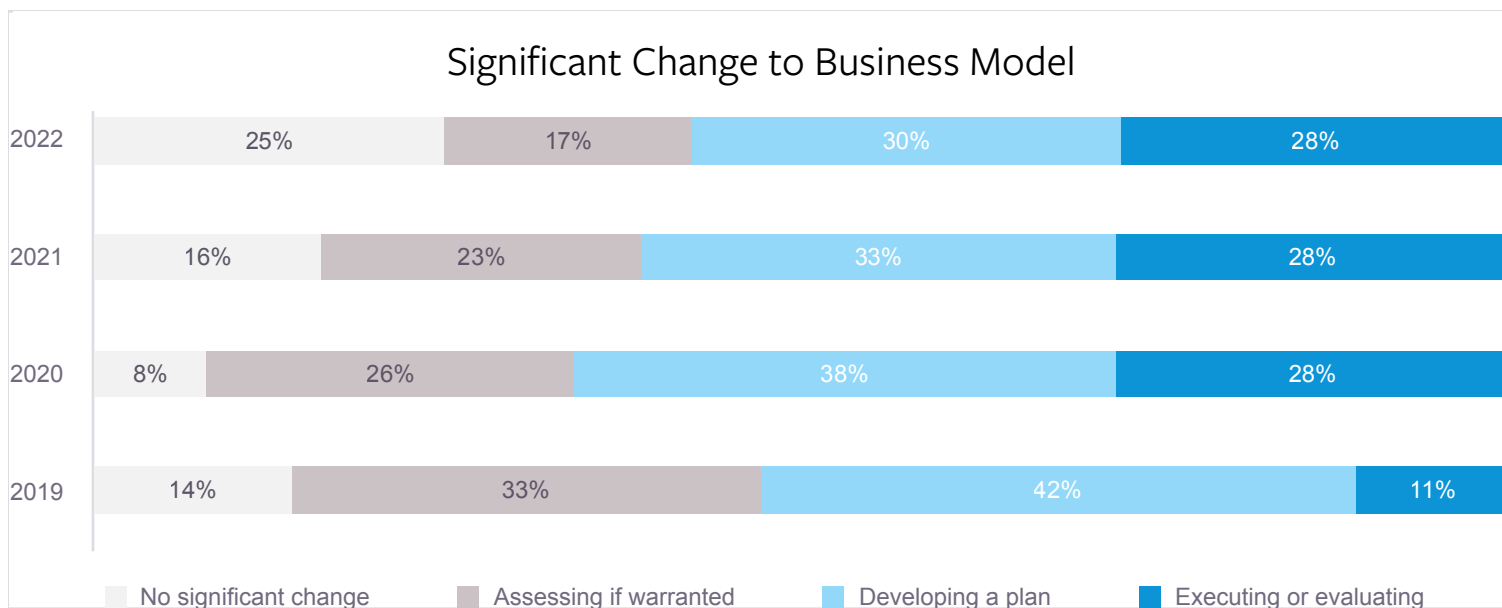


Figure 8. Business model change

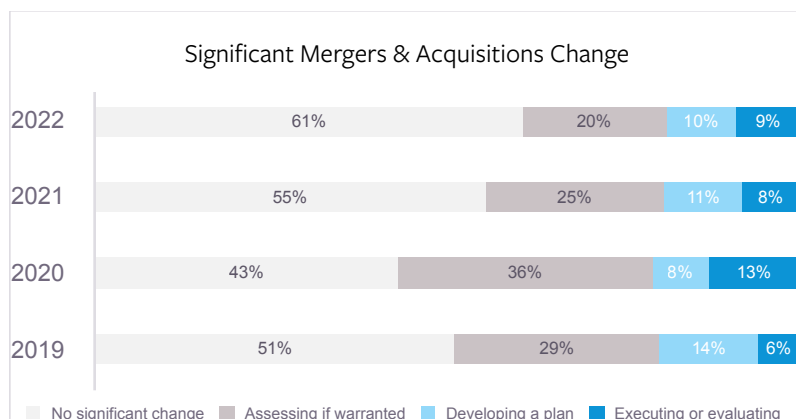


Figure 9. Mergers & Acquisitions

[January 2020 responses](#), shortly before the onset of the COVID-19 pandemic across the United States, indicated an uptick to 36% of organizations assessing if significant merger and acquisitions (M&A) change is warranted (see Figure 9). This number dropped in January 2021 and again in January 2022 responses, resting at 20% assessing and 61% intending no significant M&A change.

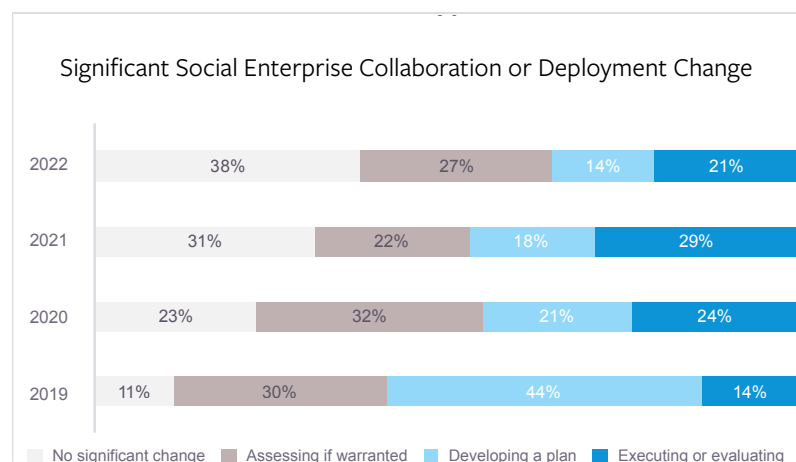


Figure 10: Social enterprise collaboration or deployment change

Social enterprise collaboration or deployment change is also easing (see Figure 10). The proportion of organizations not planning further significant social enterprise collaboration or deployment change has tripled over the past four years. There could be a variety for reasons for this trend, such as organizations interested in social enterprise collaboration or deployment have already made their related changes.⁶

HUGE ORGANIZATIONS ARE SIGNIFICANTLY CHANGING

- Huge organizations are making significant business model changes. 53% of responding huge organizations are executing or evaluating recent significant business model change. An additional 37% are developing a plan for significant change.
- Huge organizations are also comparative frontrunners regarding social enterprise collaboration or deployment, with 47% of huge organizations executing or evaluating significant change– more than that of any other size.
- And huge organizations are disproportionately involved with mergers and acquisitions (M&A). 74% of huge organizations are assessing, planning, executing, or evaluating recent significant M&A change.
- Similarly, huge organizations indicate themselves to be further along in each polled category of operational change.

Organizations more significantly developed new categories of revenue sources, with increases in the proportion of organizations moderately, significantly, or very significantly developing new categories of revenue sources compared with the year prior (see Figure 11).

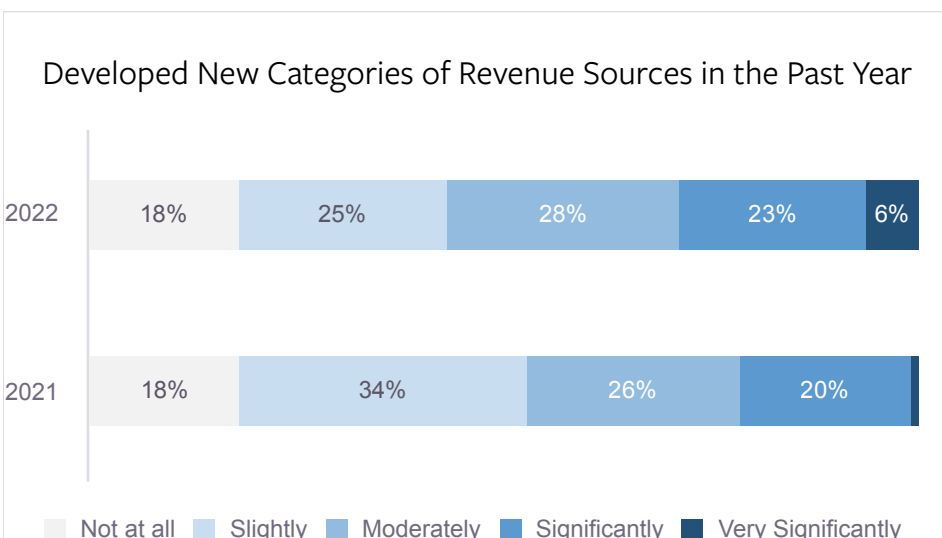


Figure 11. New categories of revenue sources

CEOS COMMENTED ON PROMISING AREAS OF FUNDING ADAPTATION.

- “Consideration of new disaster risk financing possibilities that could unlock additional resourcing and capabilities.”
- “Considering expansion into crypto for portion of new money.”
- “Diversification of donors.”
- “Offering consultancy services.”
- “Possibly pursuing additional sources of income such as carbon credits.”
- “Focus on organizational capacity building to target new sources of revenue and adoption of new fundraising models & new programming across the globe.”
- “We have significantly increased our investment in unrestricted fundraising.”

TAKEAWAY #2: MUCH OF THE SECTOR IS INVOLVED IN SIGNIFICANT PROGRAM CHANGES, INCLUDING NEW LINES OF PROGRAMMING.

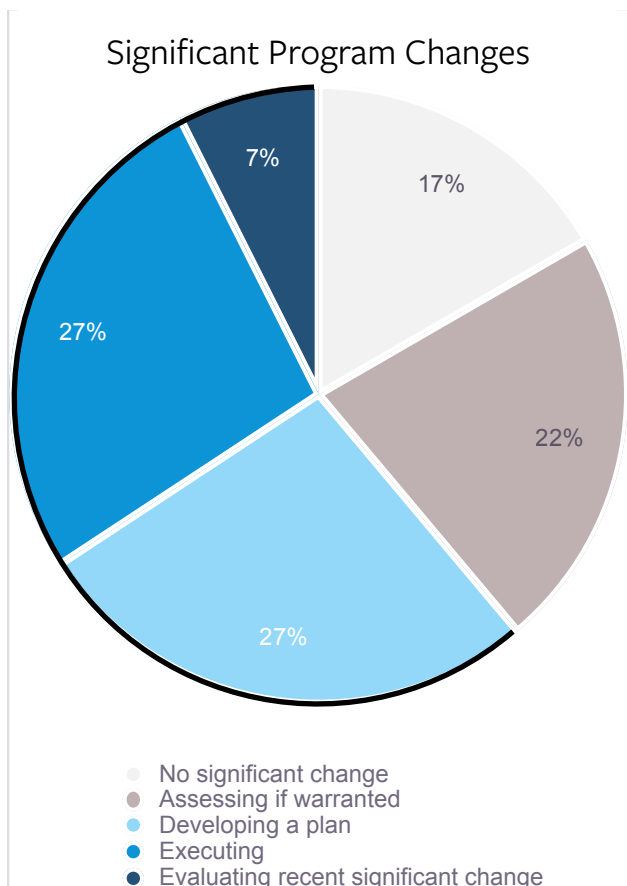


Figure 12. Significant Program Changes

Significant program changes abound (see Figure 12). About 61% of organizations are developing, executing, or evaluating significant change.

CEO COMMENTS INCLUDED:

- “Re-evaluating the relentless drive for more & more projects (of any kind) in favor of focusing on core capabilities even if that means less work/less growth. Having courageous conversations with funders about what an investment in enduring social change (vs. short-lived interventions) really looks like and costs.”
- “Significant investments in new strategic priorities, e.g., localization, funding diversification, social enterprise.”

Program changes include expansion into new lines of programming, with more organizations making more significant expansion into new lines of programming than the year prior (see Figure 13).

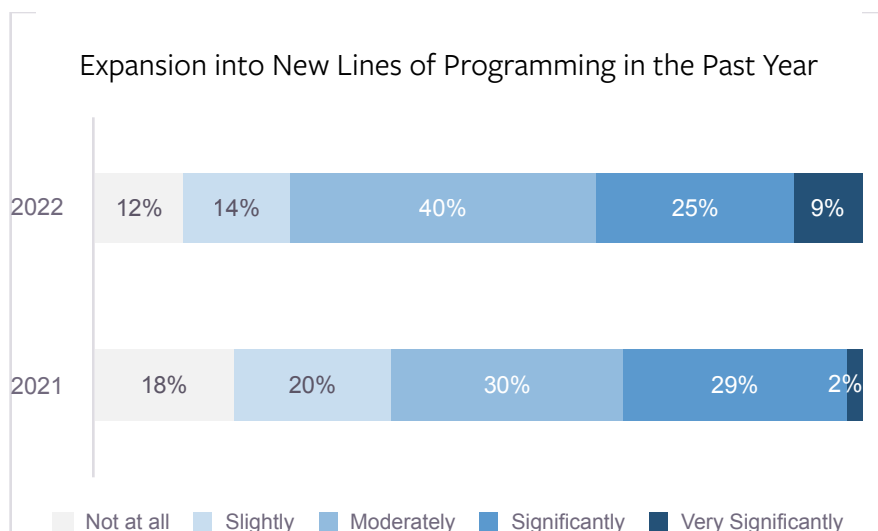


Figure 13. Expansion into new lines of programming

TAKEAWAY #3: COVID KNOCK-ON EFFECTS SPARKED SHIFTING OPERATING MODELS AND PROGRAM PRIORITIES.

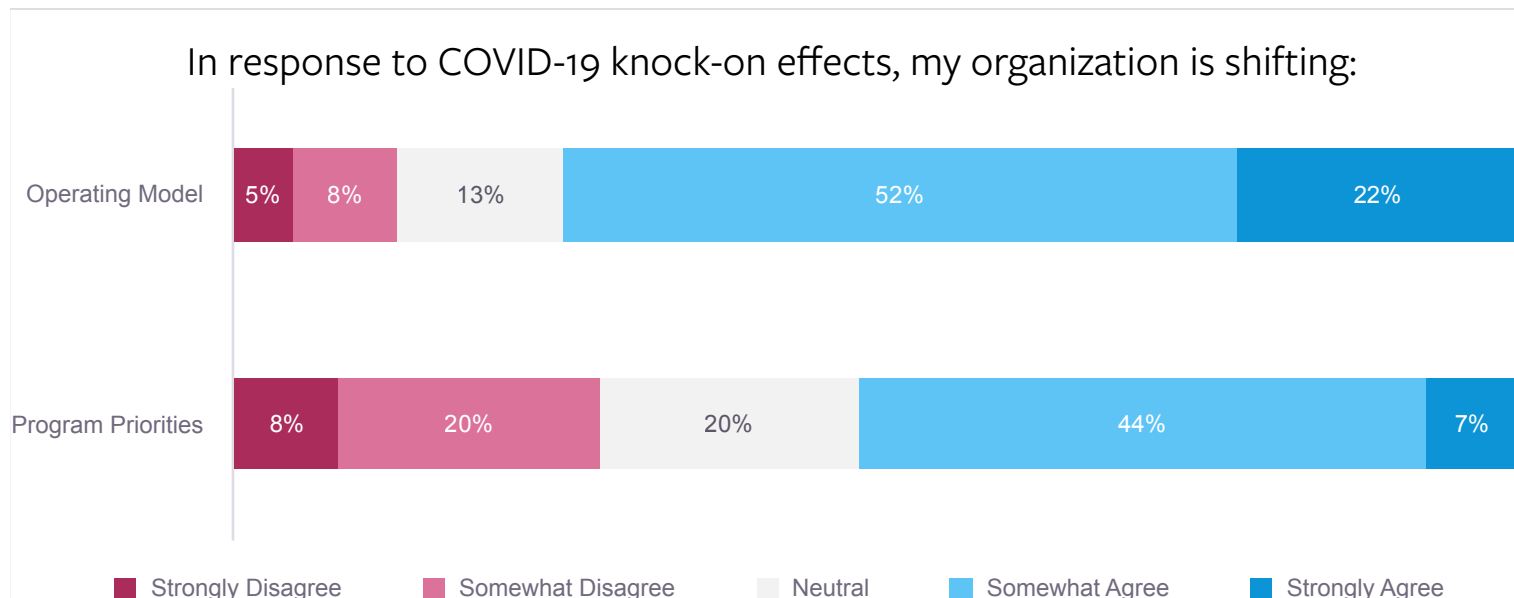


Figure 14. Program priority and operating model shifts in response to the effects of COVID-19

Financially it appears that COVID-19 has not created the major financial challenges expected for organizations (see Section I, Figures 5, 6, 7). About three-fourths of organizations are shifting operating models and about half are shifting program priorities in response to COVID knock-on effects (see Figure 14).

Executives wrote of significant changes. One CEO shared a “focus on food insecurity around the world as we are seeing adverse impact due to COVID.” Another shared that they have “adapted 250 different programs to remote intervention.”

TELECOMMUNICATIONS AND WORKING FROM HOME CAME WITH CHALLENGES.

- “Despite excellent telecommunications and regular cross-regional communications, lack of physical interaction among our regions and between the US HQ and regions limits collaboration and cultural learning and is frustrating for all.”
- “Continued operational challenges presented by the ongoing pandemic.”
- “In-country difficulties in the program execution environment because of COVID.”

Executives also wrote of an **increase in staff care and mental wellbeing support**. When asked about initiatives, investments, and adaptations to ensure organizational effectiveness, accountability, resilience, and relevance continued, responses included:

- “A concerted investment in staff well-being, compensation, and creating a positive environment conducive to both personal and organizational achievement.”
- “More emphasis on the well-being of staff.”
- “Treating all staff with support during COVID.”

Asked about **other current major issues impacting organizations** in the current year, responses included:

- “Collective trauma of COVID and uncertainty - how are we caring for staff, leaders, partners.”
- “Covid impact on employee personal mental and physical health.”
- “Lack of in-person time leads to deterioration of trust over time amongst team members/ board.”

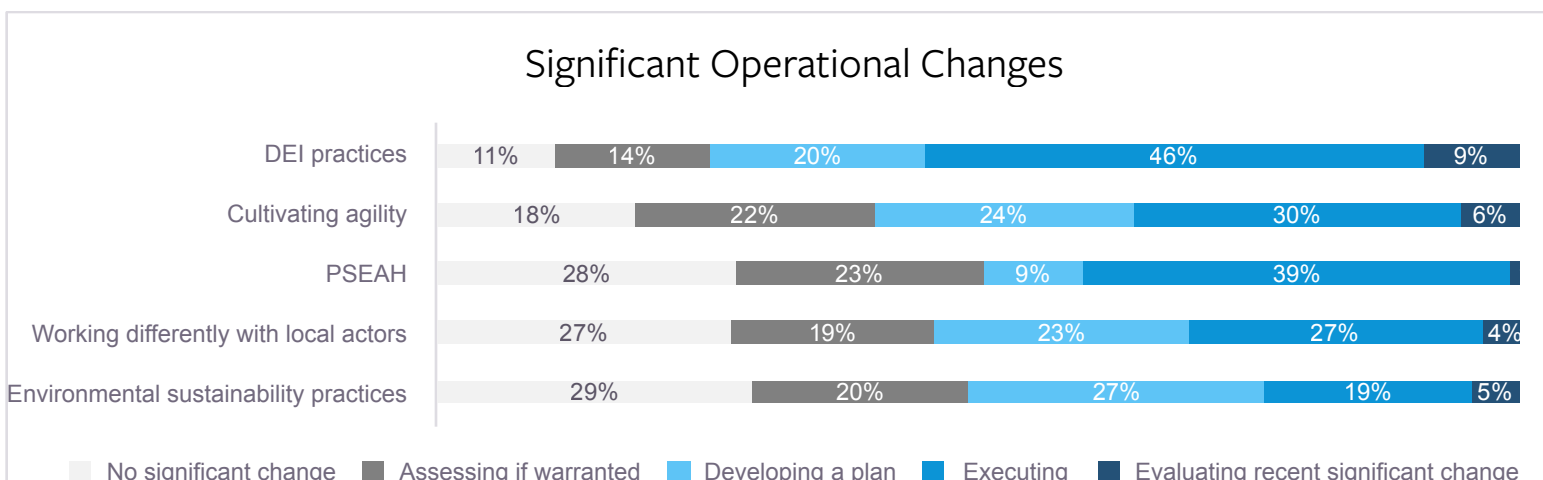


Figure 15. Operational changes

Close to half of organizations are engaged in each polled operational change realm (see Figure 15).

- DEI is a frontrunner, with 89% of organizations evaluating, executing, planning, or assessing significant change in their DEI practices.
- Around a quarter of respondents are actively developing plans for significant change in three of the polled operational change realms—environmental sustainability practices, cultivating agility, and working differently with local actors—suggesting noteworthy advancements ahead.

CULTIVATING AGILITY

60% of organizations are developing plans for, executing, or evaluating recent significant agility cultivation. CEOs share,

- “Change and disruption is happening and is inevitable. While maintaining a level of structure, organizations and leaders that remain nimble will be critical during this time.”
- “Creating more adaptable management, cost, and operational structures that enable agility, cost savings, and scaling up or down.”

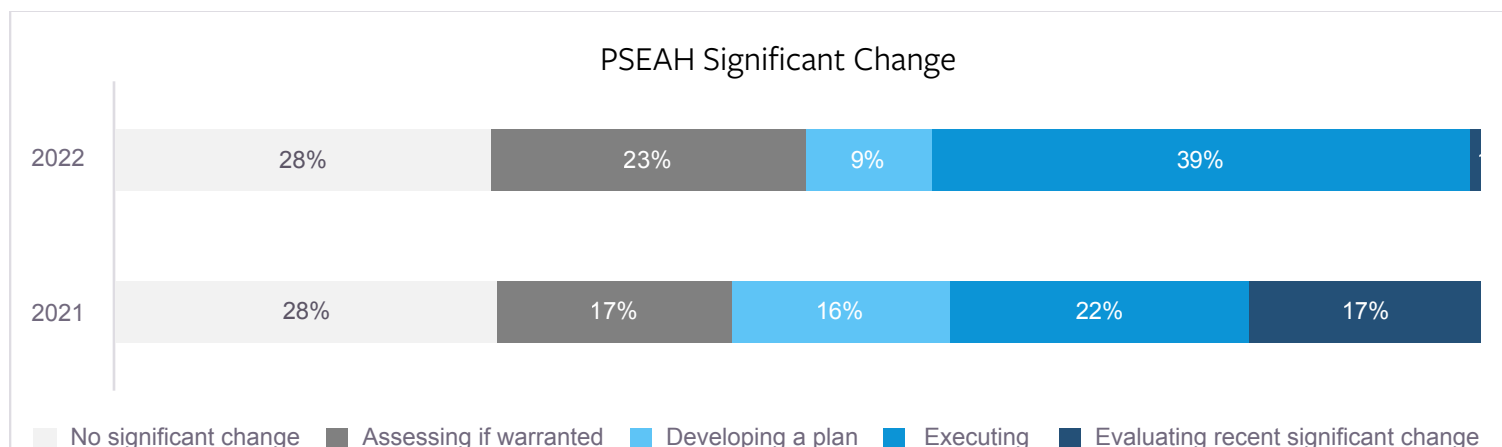


Figure 16. Protection against sexual exploitation, abuse, and harassment change year over year

Organizations seem to be shifting from evaluating to executing significant change to protect against sexual exploitation, abuse, and harassment (PSEAH), possibly indicating iterative learning and adapting / feedback looping (see Figure 16).

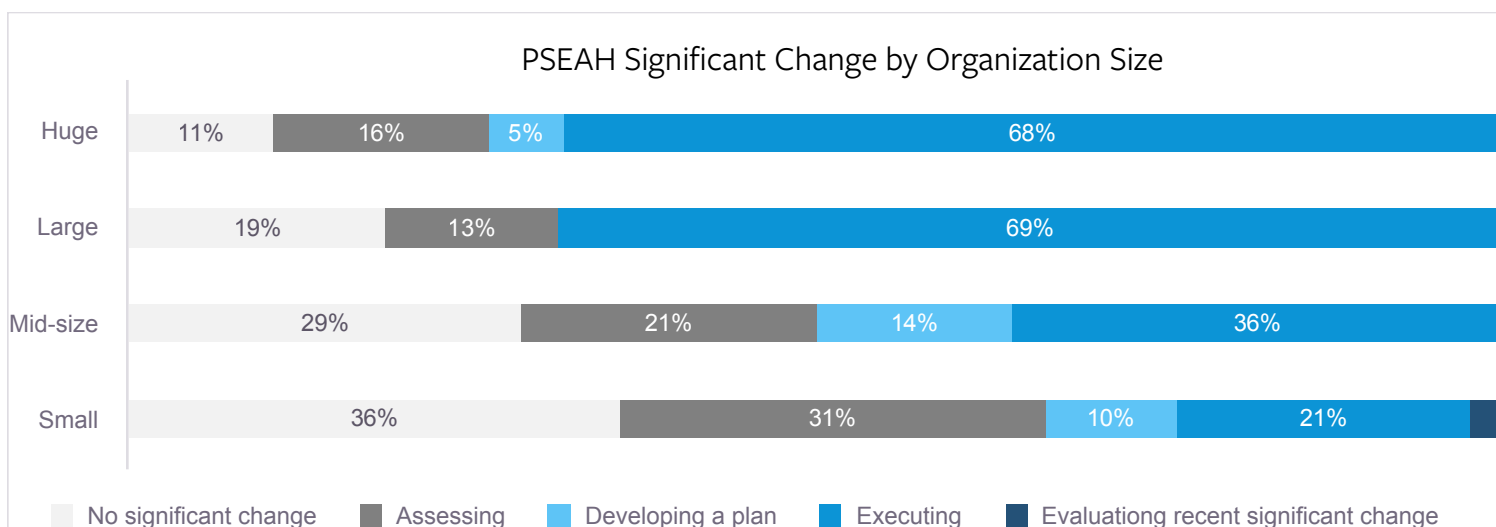


Figure 17. Protection against sexual exploitation, abuse, and harassment change by organization size

Organizational size correlated with where organizations are located on their PSEAH journeys. Data show that the larger the organization, the further they are along on the change spectrum (see Figure 17)⁷, and the more likely they are to increase their PSEAH focus (see Figure 18).⁸

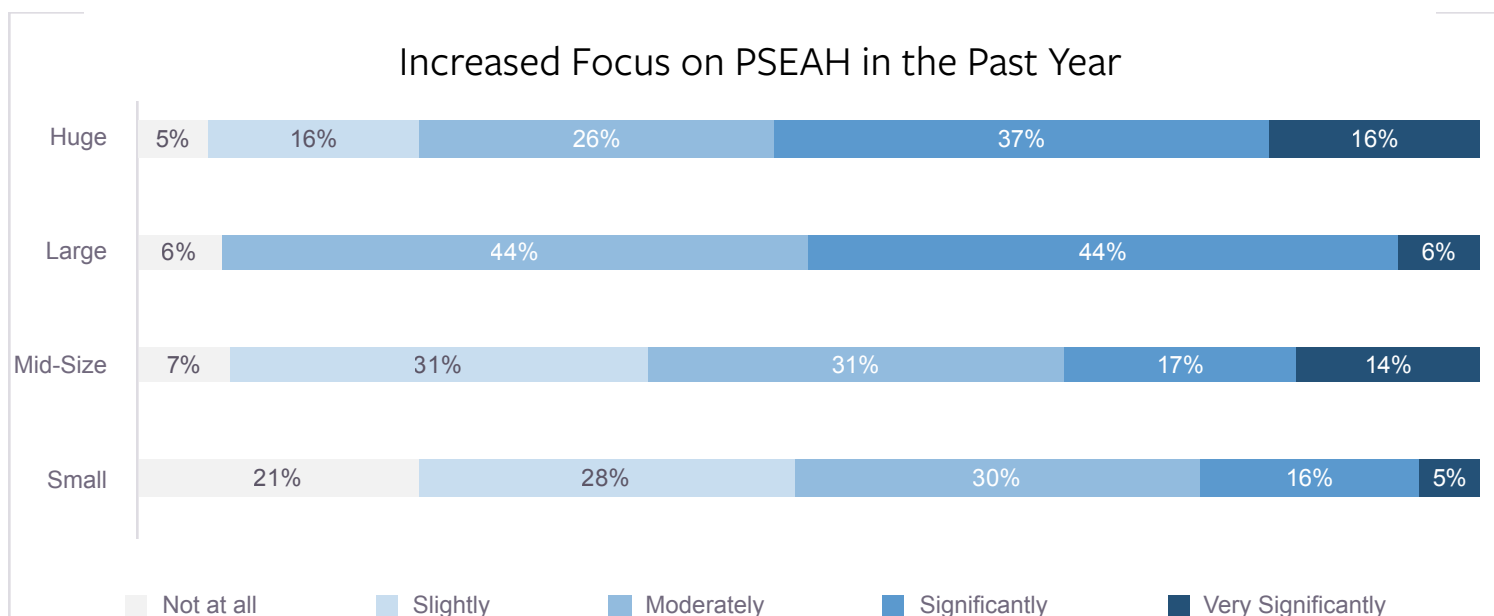


Figure 18. Increased focus on prevention of sexual exploitation, abuse, and sexual harassment, by organization size

We asked CEOs to reflect on specific efforts to prevent sexual exploitation, abuse, and harassment. On average, organizations identify as a bit below somewhat agree regarding the following three survey statements:

- “My organization invests the staff and resources necessary to fully operationalize our commitments to InterAction’s CEO Pledge to prevent and respond to sexual exploitation, abuse and harassment.”
- “Staff at all levels, including the safeguarding advisor/lead if there is one, share equal ownership for PSEAH.”
- “My organization’s leadership team does everything it can to let staff at all levels know that safeguarding is an organizational priority. (For example, bringing it up at meetings, sending e-mails to staff about the importance of PSEAH, and meeting regularly with a safeguarding lead.)”

CEOs on average fall between somewhat and strongly agreeing that their organizations have collective ownership, driven from the top down, to prevent and respond to sexual exploitation, abuse, and harassment.

PSEAH SUPPORT FROM INTERACTION

InterAction works with Member organizations to drive forward a holistic and integrated **approach** to the prevention and response of sexual exploitation, abuse, and harassment (PSEAH) for staff and the communities they serve in both humanitarian and development settings.

InterAction recognizes the need to ensure that safeguarding is incorporated into every aspect of an organization's systems and operations, from the support of the Board and CEO to the programs and partnerships on the ground.

Key components of InterAction's programming and work on PSEAH include:

- Ensuring CEOs' commitment, support, and accountability by signing the **CEO Pledge on Preventing Sexual Abuse, Exploitation, and Harassment by and of NGO staff**.
- Advocating with donors and key stakeholders to ensure that policies and funding adequately support Members' safeguarding work at institutional and operational levels.
- Contributing NGO expertise to interagency coordination mechanisms.
- Harnessing and sharing the expertise of Members to keep pushing the sector forward.
- Strengthening the capacity of Members to develop holistic, survivor-centered safeguarding frameworks and systems by developing and sharing tools and resources, and providing technical support and trainings related to safeguarding and PSEAH.
- Providing small grants to Member organizations seeking to operationalize PSEAH or pilot innovative safeguarding initiatives which will be shared with the broader community.

If you are of an InterAction member organization and want to become more involved, please **reach out**.





Corinna Robbins, "Poetic Hands"

III. ACTION PRIORITIES

The 2022 report reveals three main takeaways regarding action priorities.

1. Power shift / power sharing / localization across programming leapt to #1 for both collective and individual or-
ganization action.
2. Climate change and environmental degradation remain high action priorities.
3. Organizations are actively advancing DEI-related programs, policies, and practices.

TAKEAWAY #1: POWER SHIFT / POWER SHARING / LOCALIZATION ACROSS PROGRAMMING LEAPT TO #1 FOR BOTH COLLECTIVE AND INDIVIDUAL ORGANIZATION ACTION.

Prioritize the top three enduring trends to be addressed by:				
The Collective InterAction Community		Enduring Trends	Your Organiza- tion	
2021	2022		2022	2021
5	1	Power shift/Power sharing/Localization across programming	1	4
1	2	Climate change and environmental degradation	3	4
6	3	Poverty increasingly concentrated in fragile states	2	1
3	4	Trust declining in institutions (gov'ts, charities, social media, media, corps)	8	10
2	5	Race and social justice tensions/Diversity, Equity, Inclusion (DEI)	5	3
7	5	NGOs increasingly impacted by closing civic space and regulations	7	8
4	7	Economic inequality increasing	4	2
9	8	Migration flows increasing	5	6
8	9	Disinformation/misinformation proliferating	10	6
10	10	Digital security, data privacy, and the growing role of tech	9	9

Figure 19. Prioritized addressing of major enduring trends

We polled ten enduring trends, asking respondents to prioritize their top three trends to be addressed by the collective InterAction community and their organization. Organizations prioritize action on many enduring trends. In fact, every trend was a first, second, or third priority for some organization.

- **Power shift / power sharing / localization** across programming leaped from bottom-ranked in 2020 to #5 for collective action in 2021 to #1 for both collective and individual organization action in 2022.
- **Climate change and environmental degradation** held firm as the #2 trend to be addressed by the collective InterAction community. It also advanced to the #3 priority for individual organizations after dipping in 2021.
- **Poverty increasingly concentrated in fragile states** advanced as a collective InterAction community action priority, moving from #8 in 2020 to #6 in 2021 to #3 in 2022. It held strong as an organizational priority, ranking #2.
- **Race and social justice tensions / DEI** fell in priority when ranked against other major enduring trends—yet DEI-specific questions confirm organizations are actively advancing related programs, policies, and practices.

CLOSING CIVIC SPACE

Huge organizations rank “NGOs increasingly impacted by closing civic space and regulations” as a #2 collective and #3 organizational priority. Across all respondents it ranked #5 for the collective and #7 for the individual organization. CEOs further shared this concern in open-ended remarks when asked about action areas and major issues:

- “Violence against local people and their advocates for speaking up when they see injustice”
- “Democracy under pressure generally, increase of nationalism, decline in universality, impunity”
- “Rising anti-democratic populism”
- “Rising authoritarianism, the decline of democracy, threats to human rights, youth”
- “Spread of authoritarianism”
- “The rise of polarization and the critical importance of a functioning and healthy democracy”
- “Great power competition resurgence”
- “Partisan nationalism around the world”

Different size organizations meant different priorities.

- Huge organizations championed *NGOs increasingly impacted by closing civic space and regulations* (their #2 and #3 priority for collective and organization action. Compared with ranking overall #5 and #7).
- Large organizations championed *Race and social justice tensions / DEI* (their #1 collective action priority, even while in aggregate, it ranked #5).
- Small organizations championed *Economic inequality increasing* (their #1 collective action priority, while across all respondents it ranked #7).

THE ROLE OF DIGITAL, TECH, AND DATA

Digital security, data privacy, and the growing role of tech ranked at or near bottom for enduring trends. Yet qualitative input suggests this is a strongly prioritized realm for some.

We asked organizations to describe significant changes and initiatives that seem promising and most frequently received comments related to this realm. Respondents named:

- “Digital acceleration”
- “Substantial advancements in use of data”
- “Continued use of technology and information systems advancement to improve our effectiveness. We are investing in our processes and systems to be able to scale and achieve ongoing agility”
- “Cyber security initiatives”
- “Data /systems harmonization and data protection”
- “Greater use of information systems”
- “Investments in digital and data capabilities”
- “Investment in technology to enable transparency and sharing of information”
- “Investments in digital technology”
- “New technology platforms”
- “Tech platforms for measuring accountability to stakeholders /clients /beneficiaries”
- “Technological innovation/technology enabled program delivery”

POWER SHIFT/POWER SHARING/LOCALIZATION ACROSS PROGRAMMING

Power shift / power sharing / localization across programming came in as the number one area for both community action and individual action (see Figure 19). All sizes of organizations agree with its prioritization, ranking it as #1 or #2.

88% of organizations increased localization in 2021 (see Figure 20).

79% somewhat or strongly agree that those most closely connected to local concerns play a leading role in their organization's programs (see Figure 21)⁹. Huge organization CEOs are *least confident* that those most closely connected to local concerns play a leading role in their organization's programs. Whereas 44% of small and 48% of mid-size organization CEOs strongly agree those most closely connected to local concerns play a leading role in their organizations' programs, only 21% of huge organization CEOs strongly agree.

My organization increased localization in the past year.

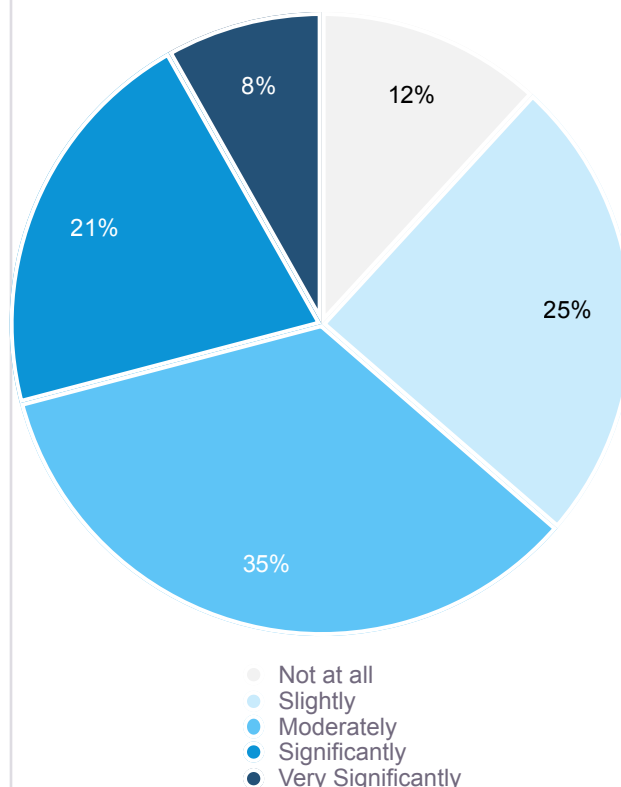


Figure 20. Increased localization in the past year

Those most closely connected to local concerns play a leading role in my organization's programs.

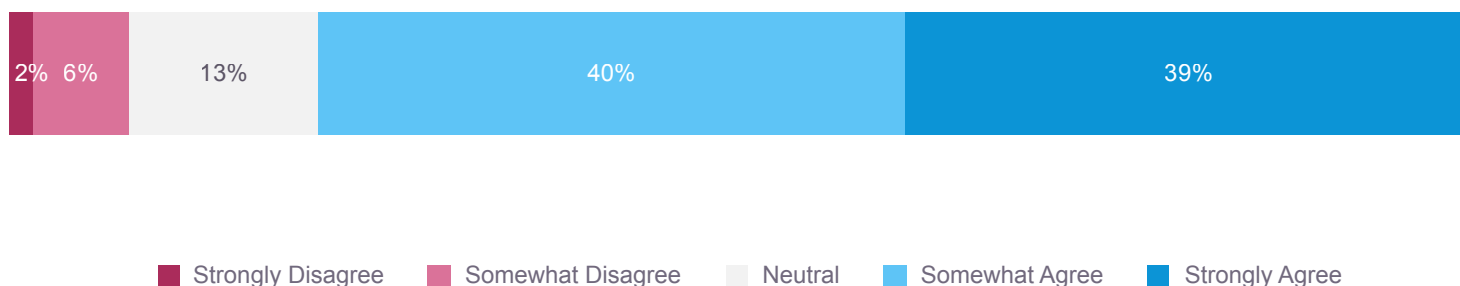


Figure 21. Leading roles by those most closely connected to local concerns

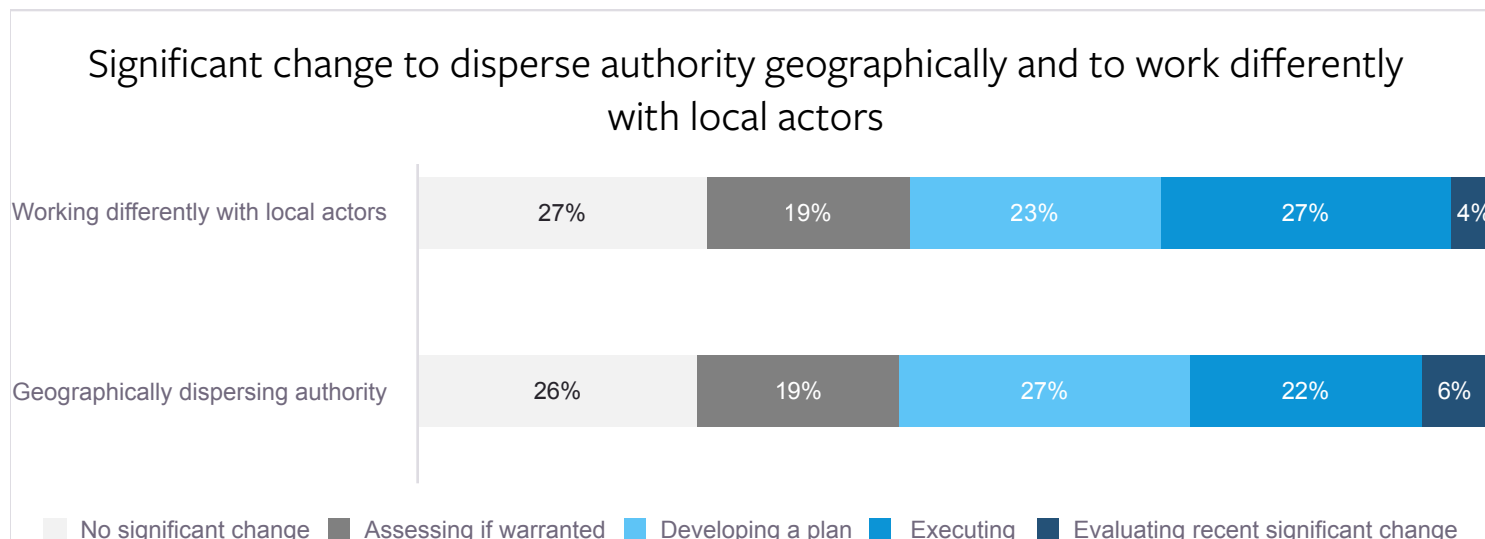


Figure 22. Authority geographically dispersed and work differently with local actors

Three-fourths of the polled organizations are considering or advancing working differently with local actors and geographically dispersing authority (see Figure 22).

Examining responses by size, every huge organization is exploring or advancing significant change to disperse authority geographically. By contrast, 43% of small organizations plan no significant change.

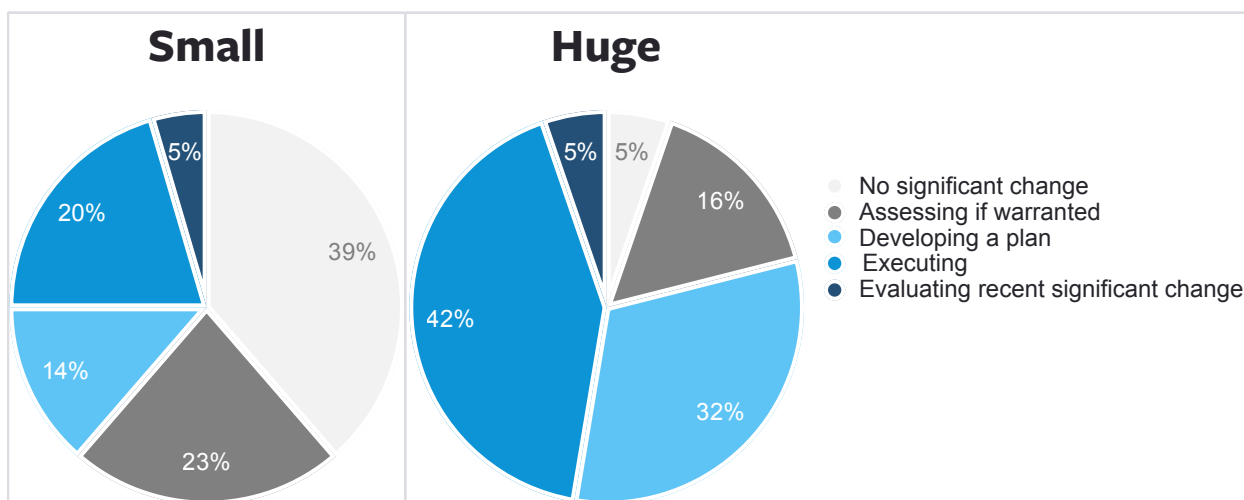


Figure 23. Working differently with local actors, by organization size

Huge organizations also identify as further along in *making a significant change* when working differently with local actors, with 79% somewhere within plan development (see Figure 24). By contrast, 39% of small organizations have no intention of significant change regarding working differently with local actors.¹⁰

Leaders are more comfortable with where their organizations are regarding changes in program design, followed by internal processes and governance structures & decision-making processes, and less comfortable with where they are regarding changes in financial resourcing (see Figure 24).

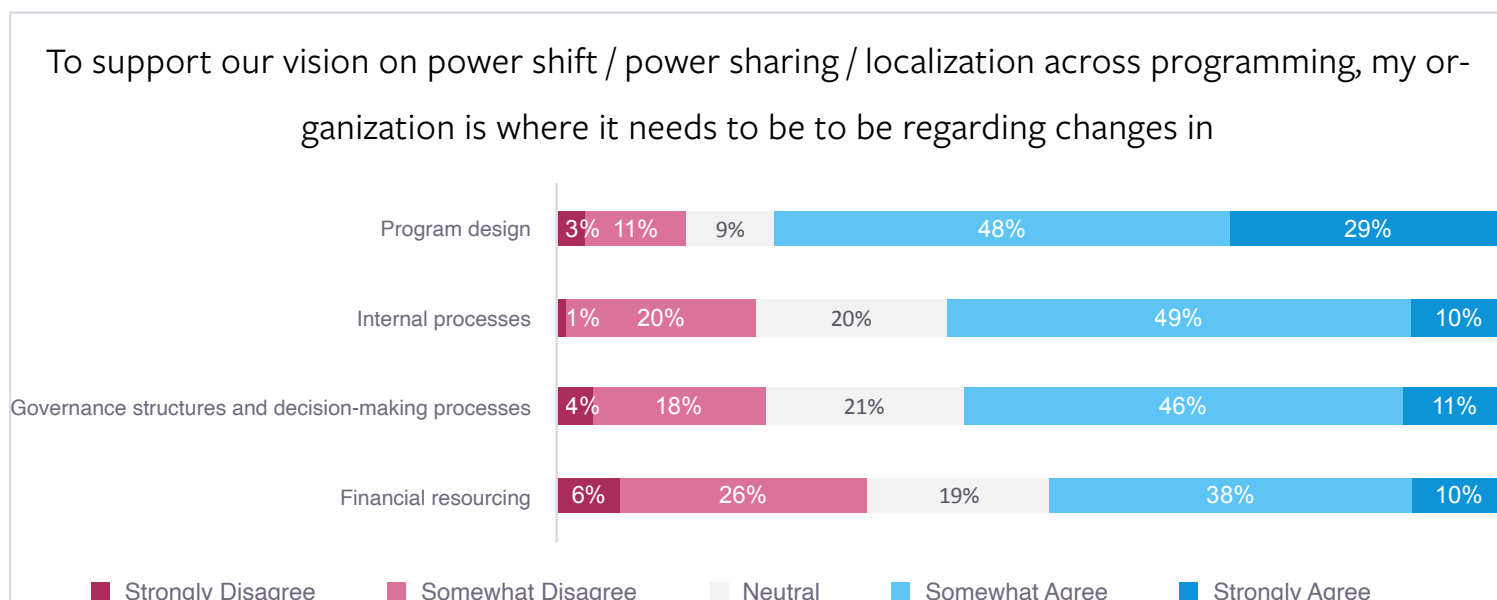


Figure 24. Power shift/Power sharing/Localization changes

One CEO shared their significant localization-related change, “Our greatest changes have been in localizing senior positions that had always been held by Americans...and have downsized our US presence, including sub-leasing our office...Our role and culture has significantly changed from being headquarters driven to a support function for our country offices which are all locally led, as well as supporting our local partners. Its involved capacity development and streamlining regulations.”

Many executives commented on localization when sharing initiatives, investments, and adaptations they see NGO leaders undertaking that seem promising (listed on the next page).

- “A shift in power and a continued focus on a culture of ethics and dignity for all. But I think it is not a consistent picture across the sector.”
- “Decentralization of decision-making power to local partners.”
- “Diversifying leadership and deconcentrating power outside of the US into regions in which we program.”
- “Localization of leadership.”
- “Increasing local leadership initiatives.”
- “Adaptation to a focus on building local capacity and stepping back from service delivery.”
- “Continuing to push ourselves on localization and decolonization commitments, that require us to push well beyond our comfort zones and honor long overdue commitments to change in the sector, that will require relinquishing power and money and changing status quo of aid ecosystem.”
- “Localization initiatives are critically important and require new staffing and organizational models.”
- “Taking localization seriously although there is much to learn, especially as it relates to considering alternative business models.”
- “Localization and building relationships with local governments and institutions.”
- “Walking the talk regarding empowering local leaders.”
- “More “decolonizing aid” or moving greater resources, responsibility and decision-making power to our program countries.”
- “Power sharing.”
- “When the people working for a US-based organization who are outside the US are the only ones who can actually show up in person for things, they rightfully develop capacity, voice and leadership opportunities. This should be embraced with localization and enhanced.”
- “Seeking stronger and more long-lasting collaborations with local CSOs, NGOs, etc. to execute programs.”
- “Promote partnership with all significant local actors including private and public sectors.”
- “Greater involvement of beneficiaries in assessing our effectiveness and delivery of services.”

LOCALLY LED DEVELOPMENT SUPPORT FROM INTERACTION

InterAction supports our member community on locally led development and localization. Forms range from panels and small-group conversation sharing among member organizations on adaptation efforts to collaboration on a **community response and recommendations** for USAID’s Local Capacity Development Policy, and positive reinforcement of US Government commitment to **make aid more accessible, equitable, and responsive**.

If you are of an InterAction member organization and want to become more involved, please **reach out**.

TAKEAWAY #2: CLIMATE CHANGE AND ENVIRONMENTAL DEGRADATION REMAIN HIGH ACTION PRIORITIES.

CLIMATE

Prioritized action regarding climate change and environmental degradation holds strong, shifting up a spot (from 4th to 3rd ranked enduring trend for prioritized organization action) and just barely slipped down a spot in collective addressing (from top to 2nd-ranked).

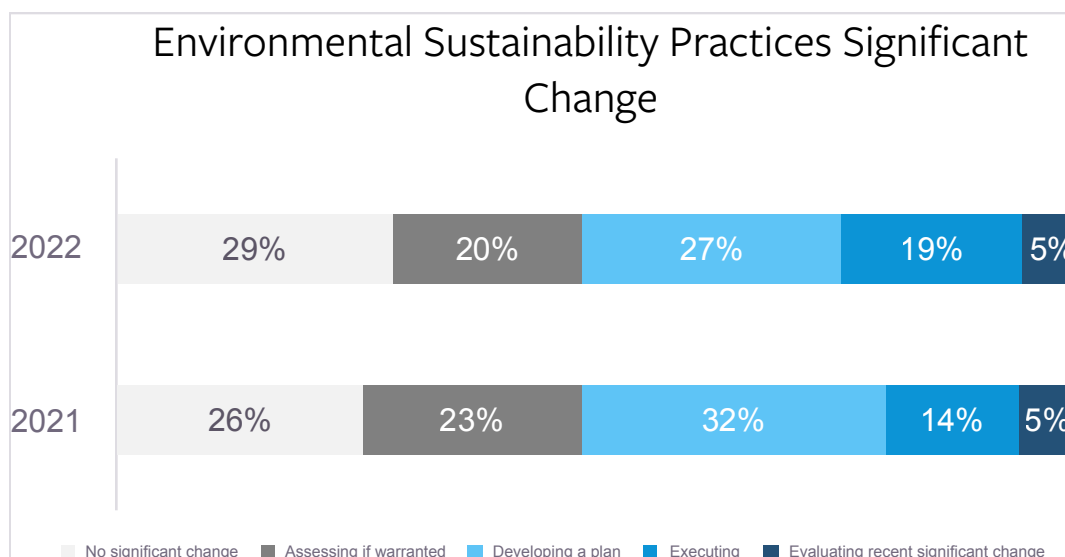


Figure 25. Environmental sustainability practices change

Operational changes to environmental sustainability practices remained consistent year over year, with half of the respondents developing, executing, or evaluating recent significant change and an additional 20% assessing if a significant change is warranted (see Figure 25).

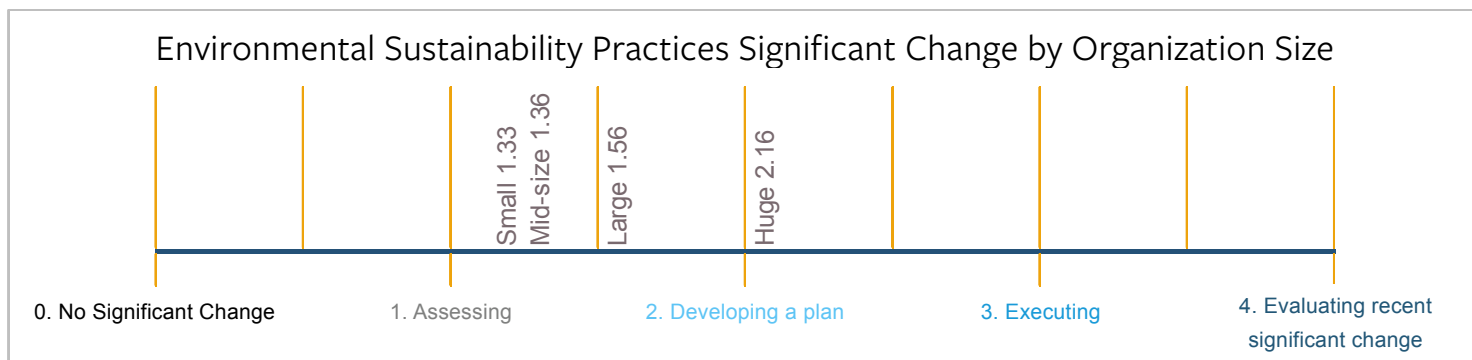


Figure 26. Environmental sustainability practices change by organization size

The state of change for environmental sustainability practices is positively correlated with organizational size (see Figure 26). On average, huge organizations are almost a full step further along, somewhat beyond developing a plan for significant change. Large organizations average in the middle of assessing if change is warranted and developing a plan. On average, small and mid-size organizations identify as only just beyond assessing if change is warranted.¹¹

WHAT CEOS SHARED REGARDING CLIMATE:

- “We have not realistically come to grips with the effects of climate change on our work and the ways we can mitigate its effects.”
- “We are applying a climate lens to all we do.”
- “Expect NGOs to continue to have to put more resources towards environmental initiatives focused on providing assistance to those impacted by environmental disasters around the world.”
- “Access to new climate and tenure funding.”
- “Increased funding opportunities from funders interested in nature-based solutions to Climate Change, potentially conflicting with needs and desires of our constituents/program partners.”

CLIMATE SUPPORT FROM INTERACTION

InterAction convenes its Member organizations to create advocacy opportunities to expand and unify our voices as we advocate for policies, and foreign assistance that will decelerate climate change and support vulnerable populations as they adapt to the impacts of the changing climate. In addition, InterAction generates learning opportunities for member organizations to better include [climate change and environmental considerations](#) into their programming, and to assist them in developing internal environmental sustainability practices. For example, many InterAction member organizations are part of an [NGO Climate Compact](#) to pledge concerted, unified, and urgent action to address climate change. Member input feeds into recommendations including [Strategy Considerations and Recommendations for USAID on Climate Adaptation and Integration](#).

If you are of an InterAction Member organization and want to become more involved, please [reach out](#).

TAKEAWAY #3: ORGANIZATIONS ARE ACTIVELY ADVANCING DEI-RELATED PROGRAMS, POLICIES, AND PRACTICES.

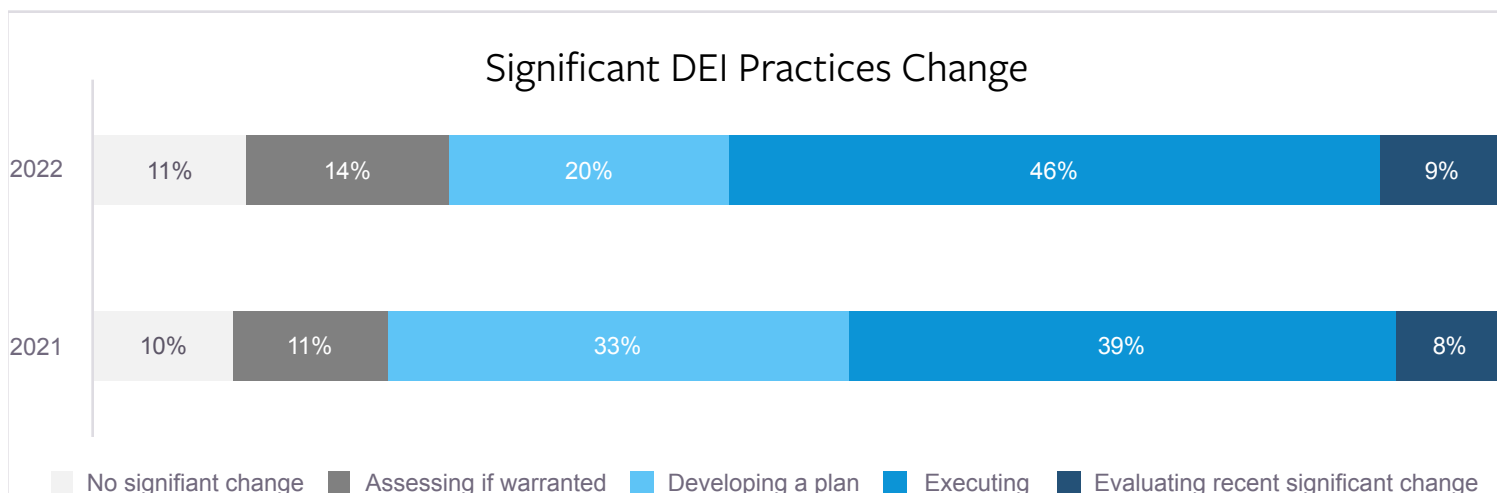


Figure 27. Diversity, Equity, and Inclusion practices significant change

DIVERSITY, EQUITY, AND INCLUSION

75% of organizations are developing a plan for, executing, or evaluating recent significant changes in DEI practices (see Figure 27). This year-over-year movement from developing (33% in 2021, 20% in 2022) to executing (39% in 2021, 46% in 2022) indicates progress. Larger organizations tend to be further along the change spectrum for DEI.¹²

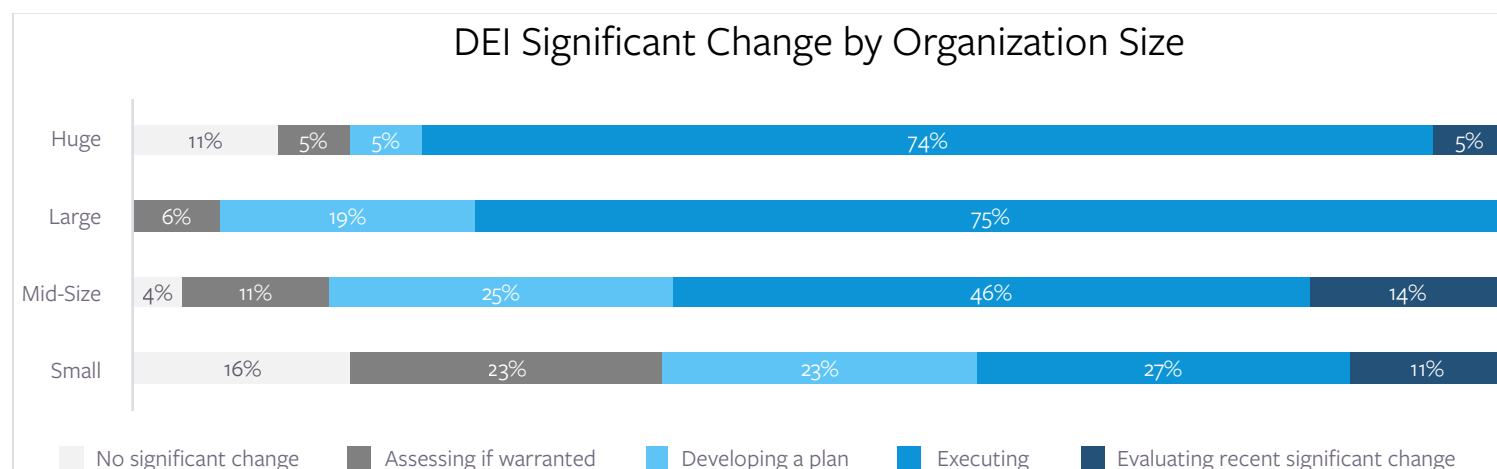


Figure 28. Diversity, Equity, and Inclusion practices significant change by organization size

Significant DEI practices change is happening across three-fourths of large and huge organizations, 60% of mid-size organizations, and 38% of small organizations (see Figure 28).

WE ASKED ABOUT SPECIFIC AREAS OF CHANGE AND PROGRESS.

- There is a slight increase in organizations that have benchmarked diversity statistics to review overtime, advancing from 54% in 2021 to 61% in 2022.
 - In the past year (2021), 43% significantly or very significantly increased diversity or representation in governance or leadership structures.
 - Organizational size is positively correlated with DEI being one of an organization's priority areas, benchmarking diversity statistics to be reviewed over time, and having a standardized process to file an employee complaint related to DEI.¹³
-

CEOs commented on seeing promising DEI initiatives – including “a focus on DEI and belonging,” “DEI initiatives, especially at the board level,” “racial equity as inseparable from localization,” “focus on diversity,” and “Transforming culture around DEI...for example, changing hiring practices to better reduce the influence of bias; changing language used to describe clients and constituents; changing decision-making practices.” As stated by one executive, “It has been heartening to see over the past year the investment in time and resources that NGO leaders have made in advancing DEI. The Coalition for Racial Equity and Ethnicity in Development (CREED) was driven by NGO leaders spending time after hours working on a pledge that has now gained broad support.”

DEI SUPPORT FROM INTERACTION

InterAction strives to model the ethics we value as a mission-driven thought leader and standard-bearer to better integrate and promote a Diversity, Equity, and Inclusion (DEI) approach within the NGO sector. This includes convening member organization staff to learn how we as organizations and as a collective can support DEI, holding panels, and creating space for formal and informal connecting around DEI. Click [here](#) to learn more.



“The Power of Worth”

IV. SUPPORT FROM INTERACTION

The [InterAction NGO Futures](#) program mission is to accelerate NGOs' ability to adapt and evolve in service of their missions. We asked CEOs to rate their interest in forms of related InterAction support. 2021 and 2022 methods of preferred support remain:

1. C-suite peer safe spaces to discuss challenges and efforts
 2. Digest highlighting major external trends and adaptive best practices
 3. Trend sessions - interactive, with global peers, on top trends surrounding the sector¹⁴
-

Ways to engage:

1. *Safe peer spaces to discuss challenges and efforts:* Starting during the remote work times of COVID, we launched CEO Connect – a scheduled informal gathering for member organization CEOs to connect with peers. We also offer Future Thinkers, monthly / quarterly NGO leader discussion groups to unpack adapting and evolving our organizations within today's shifting ecosystem.
2. *Futures Digest:* We publish [Futures Digest](#), sharing quick tips for leaders in a changing world, captivating conversations, noteworthy news, and upcoming events.
3. *Trend sessions:* The annual InterAction Forum and [CEO Retreat](#) hold sessions to learn from outside experts and peers regarding top trends surrounding the sector. InterAction holds periodic skill-building and trend sessions specifically for member CEOs, and the NGO Futures program holds sessions for the greater InterAction community.

This is in addition to InterAction's wide array of [working groups](#), [program areas](#), and [events](#) on long-enduring and emerging matters of importance to the global development and humanitarian sectors.

ENDNOTES

¹ On a scale of -2, strongly disagree, to +2, strongly agree, the overall average is 1.13 or somewhat agree.

² On a scale of -2, strongly disagree, to +2, strongly agree, confidence in governing board keeping up with the rate of external change averages 0.34, or the agreeing side of neutral. Confidence in the organization keeping up is 0.86, or toward somewhat agree. The difference in confidence is statistically significant ($p = 0.00$, $n = 112$).

³ On a scale of -2, strongly disagree, to +2, strongly agree, the overall average is 0.01, or neutral. Small and large organizations averaged -0.16 and -0.13, respectively, or slightly below neutral regarding vulnerability to significant business model disruption.

⁴ On a scale of 0, not at all, to 4, very significantly, organizations overall have moderately (2.05) accumulated financial reserves. Huge organizations have moderately to significantly (2.47) done so.

⁵ On a scale of 0, not at all, to 4, very significantly, organizations overall have slightly (1.06) eliminated functions, offices, or programs. Huge organizations have slightly to moderately (1.47) done so.

⁶ Business model change has a significant positive correlation with size ($r = 0.22$, $p = 0.02$, $n = 105$), as does social enterprise collaboration ($r = 0.28$, $p = 0.00$, $n = 107$), and M&A ($r = 0.45$, $p = 0.00$, $n = 107$).

⁷ On a spectrum of 0, no change, 1, assessing if significant change is warranted, 2, developing a plan for significant change, 3, executing significant change, and 4, evaluating recent significant change, small organizations averaged 1.24, mid-size 1.57, large 2.19, huge 2.32, with an overall average of 1.63 ($r = 0.34$, $p = 0.00$, $n = 105$).

⁸ The overall mean for Figure 18 is 1.94 ($r = 0.31$, $p = 0.00$, $n = 107$).

⁹ On a scale of -2, strongly disagree, to +2, strongly agree, organizations overall averaged 1.07, or close to somewhat agree, that those most closely connected to local concerns play a leading role in their organization's programs. Huge organizations averaged 0.58, or between neutral and somewhat agree.

¹⁰ Working differently with local actors is significantly and positively correlated with size ($r = 0.25$, $p = 0.01$, $n = 107$). Overall mean is 1.61 Small: 1.30 Mid: 1.68 Lg: 1.44 Huge: 2.26.

¹¹ On a spectrum of 0, no change, 1, assessing if significant change is warranted, 2, developing a plan for significant change, 3, executing significant change, and 4, evaluating recent significant change, huge organizations averaged 2.16, large 1.47, mid-size 1.31, and small 1.27 ($r = 0.23$, $p = 0.02$, $n = 106$).

¹² There is a positive correlation between stage of change for DEI and organizational size ($r = 0.24$, $p = 0.01$, $n = 107$).

¹³ The following are significantly and positively correlated with size: DEI as an organization priority area ($r = 0.24$, $p = 0.01$, $n = 107$), benchmarked diversity statistics ($r = 0.29$, $p = 0.00$, $n = 107$), standardized process to file an employee DEI-related complaint ($r = 0.20$, $p = 0.04$, $n = 107$).

¹⁴ Also polled for CEO level of interest: Small group learning and application clinic on leading change; learning and community for advancing organizational culture change (for example, DEI, PSEAH, increasing agility); events for board members to interact and explore sector change.