



2023

CEO INSIGHTS ON NGO FUTURES

Adapting in a Changing World



AUTHORS

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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ONE HUNDRED EXECUTIVES

responded to the **InterAction non-governmental organization (NGO) Futures survey**. Survey responses represented InterAction's diverse membership, including CEOs from various sizes and types of NGOs and CEOs with different backgrounds and expertise.

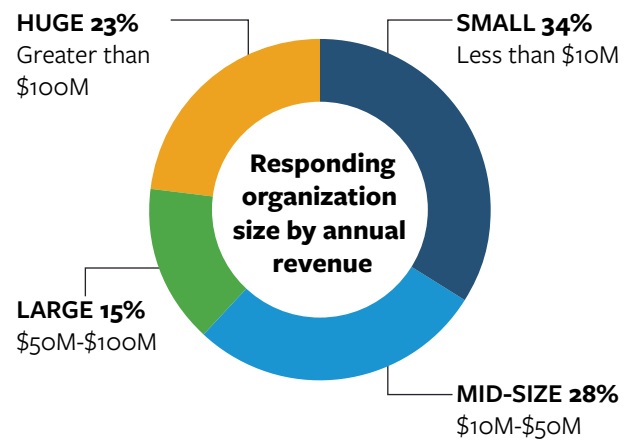
The NGO Futures Survey, in its sixth edition, provides insights into how international NGO leaders perceive the changing world and the adjustments they are making in response. The survey also sheds light on the enduring trends that they prioritize and the strategies they employ to influence them, as well as the challenges they face and where they feel stuck in their efforts to make an impact. Despite obstacles, the survey reveals that CEOs are still confident in their ability to lead high-impact organizations amidst a constantly changing world—a confidence that has been hard-won.

Many organizations are making significant business model changes and diversifying revenue. Open-ended responses indicate a number are grappling with how to excel while leading and adapting to change with uncomfortably small discretionary budgets.

And organizations are figuring out how to shift and share power and support leading by those closest to their programs.

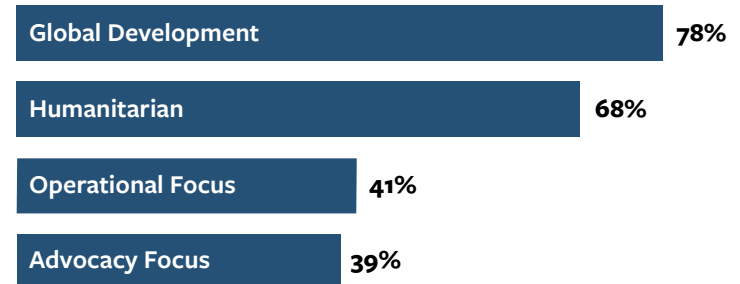
This is a time of great change in the world around us and within organizations surveyed. Read on to learn what organizations are experiencing, changing, and addressing. And look to the appendix for detailed data.

100 executives
6 editions



Types of responding organizations

Select all that strongly apply for your organization



MOVE INSIGHT INTO ACTION

ASK YOURSELF:

1. Is this true for my organization?
2. What can I learn about my own organization's strengths, or possible opportunities?
3. What would I like to further unpack with peers?

THREE THINGS YOU NEED TO KNOW

1

OPERATING AND FUNDING ENVIRONMENTS ARE CHANGING

And in turn, CEOs are spearheading substantial transformations within their organizations.

EVEN ORGANIZATIONS WITH STABLE BUSINESS MODELS ARE UNDERGOING SIGNIFICANT CHANGES TO THOSE MODELS

Half of the surveyed respondents are diversifying their revenue streams, and their organizations are undergoing substantial program changes by adapting existing programs and expanding into new areas of programming.

2

THERE IS A STRONG COMMITMENT TO LOCALLY LED DEVELOPMENT

When it comes to what that looks like, there are differing opinions. But CEOs are rethinking systems and roles and what it means for their own organizations to localize and make changes.

3



THE CHANGING WORLD

OPERATING ENVIRONMENT CHANGES: GLOBAL CONTEXT

The landscape in which NGOs operate is rapidly transforming.

Power dynamics are shifting inside the NGO landscape, with a growing emphasis on locally led development. While INGOs look at how to support a locally led agenda, they also continue to implement programming in a world that is changing quickly.

The World Economic Forum warns of a looming **“polycrisis”**—a convergence of multiple global crises, including geoeconomic warfare, cybersecurity risks, technological inequalities, environmental degradation, and a lack of future resilience.¹ And Collins Dictionary recently coined **‘permacrisis’** as the 2023 word of the year, defined as “an extended period of instability and insecurity.”

It is estimated that approximately 340 million people will require **humanitarian aid** just this year.

INGO CEOs AGREE

1. Their organization’s operating environment is significantly changing.
2. The funding environment is changing.
3. And in response, they are making big changes.



Photo by: Antonio Aragon Renuncio

Due to unpredictable weather patterns, ongoing conflicts, and the lingering effects of food price inflation, the number of individuals experiencing **hunger** in West and Central Africa may hit an all-time high of 48 million by June 2023.²


The crisis in **Ukraine**, sparked by Russia's invasion, resulted in a refugee influx of over 8 million people across Europe.

And the **COVID-19** pandemic has already undone the significant advancements made against various viruses and illnesses, such as tuberculosis, HIV, and malaria.

Although some of these issues have been encountered before, their scope has taken on a foreboding new shape in the present age. And, with each new global crisis, the advancement of human development appears to be hindered.

Power Dynamics
Locally Led Development
Multiple Global Crises
Geoeconomic Warfare
Cybersecurity Risk
Refugee Influx
Technological Inequalities
Food Price Inflation
COVID-19 Pandemic
Hunger
Ukraine Invasion
Environmental Degredation
Unpredictable Weather Patterns

RESOURCES EXAMINING OUR CHANGING WORLD

 **Transformation in the aid and development sector?**
Center for Humanitarian Leadership
Key issues of change and transformation in the humanitarian system.


 **The Sustainable Development Goals Report 2022**
United Nations
Challenges and opportunities behind why 2030 Agenda for Sustainable Development progress markers are where they are.

 **2022 Special Report on Human Security**
United Nations Development Program
Threats from digital technologies, inequalities, conflict, and pandemics, and the disconnect between development and perceived security.

 **Human Development Report 2021-2022**
United Nations Development Program
Uncertainty is changing and we must double down on human development.


 **Five Trends Shaping Global Development in 2022**
Devex
Includes market dynamics of the localization push, climate reshaping the development narrative, and the cold war in tech coming to global development.

 **INGOs and the Long Humanitarian Century**
Oxford
Interviews with leading international INGO CEOs on challenges they face and the future of the sector.

 **What's on Our Aid Policy Radar in 2023**
The New Humanitarian
Issues and dilemmas shaping humanitarian policy in 2023 and beyond, including climate, locally led aid, and pooled funds.

 **The Global Expansion of Authoritarian Rule**
Freedom House
Global trends in political rights and civil liberties.

 **Global Risks Report 2023**
World Economic Forum
Current and future global risks, including economic warfare, climate, and perma-pandemics.

 **Call to Action | 2023 Predictions**
LG Consulting
Predictions from top INGO executives on anticipated trends, new perspectives, and predictions for upcoming years.

FUNDING ENVIRONMENT CHANGES

When asked about the **key challenges** affecting organizations, nearly half of the respondents pointed to a more restricted **financial landscape**.

CEOs mentioned a reduction in global aid budgets—unsurprising as there is a worrying trend of donor countries cutting their foreign aid budgets.³ They noted the de-prioritization of humanitarian aid for many countries in need. And they shared the struggle of institutional donors shifting risk—the effect of uncertainty on objectives—without additional resourcing.⁴ Furthermore, the nonprofit sector is facing a new challenge as contractors are moving into the humanitarian and development space, increasing competition and making it more difficult for NGOs to secure funding.

The outlook for future funding appears

👉 **Funding Trends 2023**, *MzN International*

👉 **Key takeaways from USAID’s new multibillion-dollar A&A strategy**, *DevEX* (Subscription required)

RISK MANAGEMENT

👉 **Risk Management in International Development Projects**, *United Nations Development Program*

👉 **NGOS, Humanitarian Action, and Risk Management**, *InterAction*

bleak, according to CEOs, who warned that **the global economic downturn and potential recession could severely impact funding**, particularly in the private donor market. To compound matters, organizations require greater access to unrestricted funding to weather varied payment schedules on grants and contracts. With limited unrestricted funding available, CEOs are increasingly concerned about the difficulty of retaining teams between projects.

Photo by: Adiyе Yarali



CHANGE SPARKED BY COVID-19

Despite initial concerns, the COVID-19 pandemic did not have as significant of an impact on finances **as initially feared**. Instead, the financial impacts of the pandemic varied—with only 16% of respondents reporting significant funding losses in 2022. Looking ahead, only 11% anticipate similar losses in the next few years.

Of note, 17% of respondents are predicting significant funding savings from the knock-on effects of COVID-19, such as reduced overhead expenses from remote work and reduced travel.

In 2022, 74% of responding organizations shifted their operating models in response to the effects of COVID-19. However, the proportion dropped to 56% in 2023, suggesting that shifts may have peaked.

Similarly, organizations have also shifted their program priorities, although to a lesser extent in 2023 than two years prior. In 2021, 66% of respondents reported shifting program priorities, which decreased to 34% in 2023.

However, CEOs know this is not the last time their organizations will shift priorities. As one executive said, “With global interconnectedness, the COVID pandemic won’t be the last major infectious disease to upend everything.”



Photo by: Reza Baradaran Esfahani

“There was a one-off increase in revenue during the pandemic, which led to an accumulation of reserves. Our challenge is to avoid creating long-term liabilities (expanding staff) when the revenue bump seems to have been temporary.”

ORGANIZATIONS ARE MAKING BIG CHANGES

BUSINESS MODELS

Even organizations with stable business models are making significant changes to them. **While 49% agree that their organization is currently vulnerable to significant business model disruption, even more —60%—are making significant business model changes.**

As society undergoes a shift in power dynamics and reckoning with social justice, NGOs must adapt to the changing needs of the communities they serve. And the programmatic work needs to be brought closer to the people who are the intended recipients.

INGOs must be conscious of the fact that the sector's model is now fifty years old. The societies and communities INGOs work with want ownership, which they deserve. Funders are also demanding more, including DEI, localization, and future impact strategies.

Agility is crucial for organizations to adapt to this changing landscape. The ability to respond quickly to cultural shifts is equally essential. As one CEO aptly put it,

“This is the perfect storm. If you don't shift as an organization, you will find yourself behind the curve.”

ORGANIZATION CHANGES

The majority of respondents believe their organizations are adapting to external changes—and they are doing so with purpose.

HALF OR MORE ARE:

- Adapting business models
- Developing new categories of revenue sources
- Cultivating agility
- Significantly changing programs
- Expanding into new lines of programming
- Investing in leadership development

FUNDING AND REVENUE MODELS

In 2022, half of the respondents' organizations developed new categories of revenue sources at a moderate, significant, or very significant levels. And half moderately, significantly, or very significantly accumulated financial reserves.

Many organizations seek to understand revenue diversification options and the use of innovative financing mechanisms. CEOs want the opportunity to attract new fund-

ing sources, particularly impact investments and blended financing, rather than relying solely on grants. One organization has taken steps to move beyond traditional revenue streams by generating **carbon credits** as a revenue stream.

As The Rockefeller Foundation notes, "Climate change, food insecurity, inequality, energy poverty, the threat of pandemics: **all require significant funding that goes far beyond what philanthropy and government alone can provide.**"⁵

Insights from CEOs developing significant new categories of revenue resources:

The saying "you need money to make money" is particularly relevant when it comes to development finance. Some NGOs are exploring alternative models to secure funding, as even tried and true methods can be challenging. Many organizations are operating on thin margins, with little discretionary funding available.

One organization began by strategizing and deciding to co-create solutions with the populations they serve, and to offer more integrated and high-quality service delivery. Achieving this requires greater funding flexibility than what institutional donors typically provide, so it is expanding its sources of funding to include private financing, which is more responsive to customer needs.

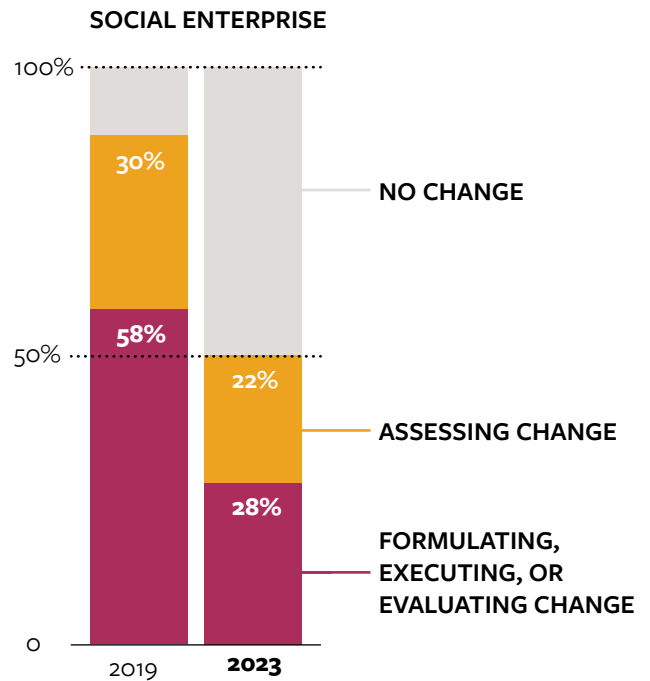
With a clear direction on where to diversify their revenue streams, it is now aligning marketing, and communications—including preparing thought leadership pieces and taking active roles in conferences—in hopes to increase its visibility to donors.

One organization is deepening fundraising with current donors and widening the donor pools within their current two models. But CEOs still need to make the decision on where to allocate limited funds. As one CEO said, "If you only have so many dollars to invest in this, where do you invest?" It is a tough balancing act to maintain financial stability while also investing in new funding approaches.

One CEO advised that while diversification works both on the restricted and unrestricted sides, both are very different. If diversifying unrestricted funds, look at which streams are strong or growing. If diversifying restricted funds, look at your strongest technical capacity and think about allied areas.

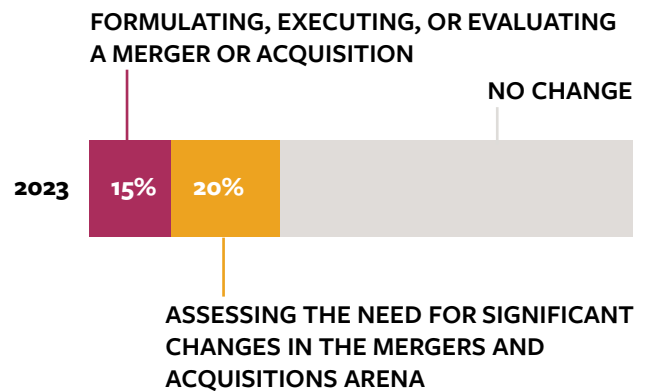
SOCIAL ENTERPRISE COLLABORATION OR DEPLOYMENT

Over the past five years, a decreasing proportion of organizations are making significant expansions into social enterprise collaboration or deployment. Whereas in **2019**, 58% were formulating, executing, or evaluating significant change in this realm—and an additional 30% were assessing if it was warranted—in 2023, 28% are formulating, executing, or evaluating change, and 22% are assessing if significant change is warranted.



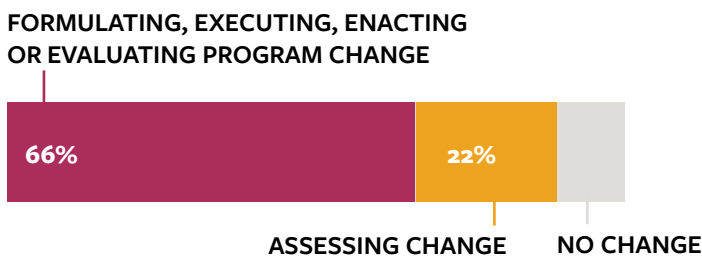
MERGERS AND ACQUISITIONS

In line with findings from 2022, and slightly lower than the previous three years, 20% of the organizations surveyed are currently assessing the need for significant changes in the mergers and acquisitions arena. Furthermore, 15% of organizations are either in the planning, implementation, or evaluation phase of a recent merger or acquisition.



PROGRAM CHANGES

Organizations continue to make significant program changes—with 66% of respondents’ organizations developing a plan for, enacting, or evaluating recent significant program change. Organizations are also expanding into new lines of programming—23% significantly so, and an additional 41% moderately so.



RESOURCES ON MODELS AND FINANCE

- 👉 [Ten Nonprofit Funding Models, Stanford Social Innovation Review](#)
- 👉 [What is Social Enterprise?, Candid](#)
- 👉 [Innovative Finance, InterAction](#)
- 👉 [Operating Models: How Nonprofits Get From Strategy to Results, The Bridgespan Group](#)

RESOURCES ON M&A

- 👉 [Cultural Implications of INGO Mergers And Acquisitions, Conner Advisory](#)
- 👉 [NGOs: M&A for Innovation and Impact, Leveraging M&A to Expand Non-Profit Impact, Accenture](#)

SUPPORTING SUCCESSFUL CHANGE

72%

keeping up with external change

Seventy-two percent of organizations believe they are keeping up with the rate of change in the external operating environment. It is worth noting that **this adaptation is not solely achieved through major model changes, but also through effective leadership development, agility, and the guidance of attuned governing boards.**

INVESTING IN LEADERSHIP DEVELOPMENT

There is a steady and gradual increase in investment towards leadership development, both in terms of the number of organizations making such investments and the amount of resources being allocated towards them.

In the past year, has your organization invested in leadership development?

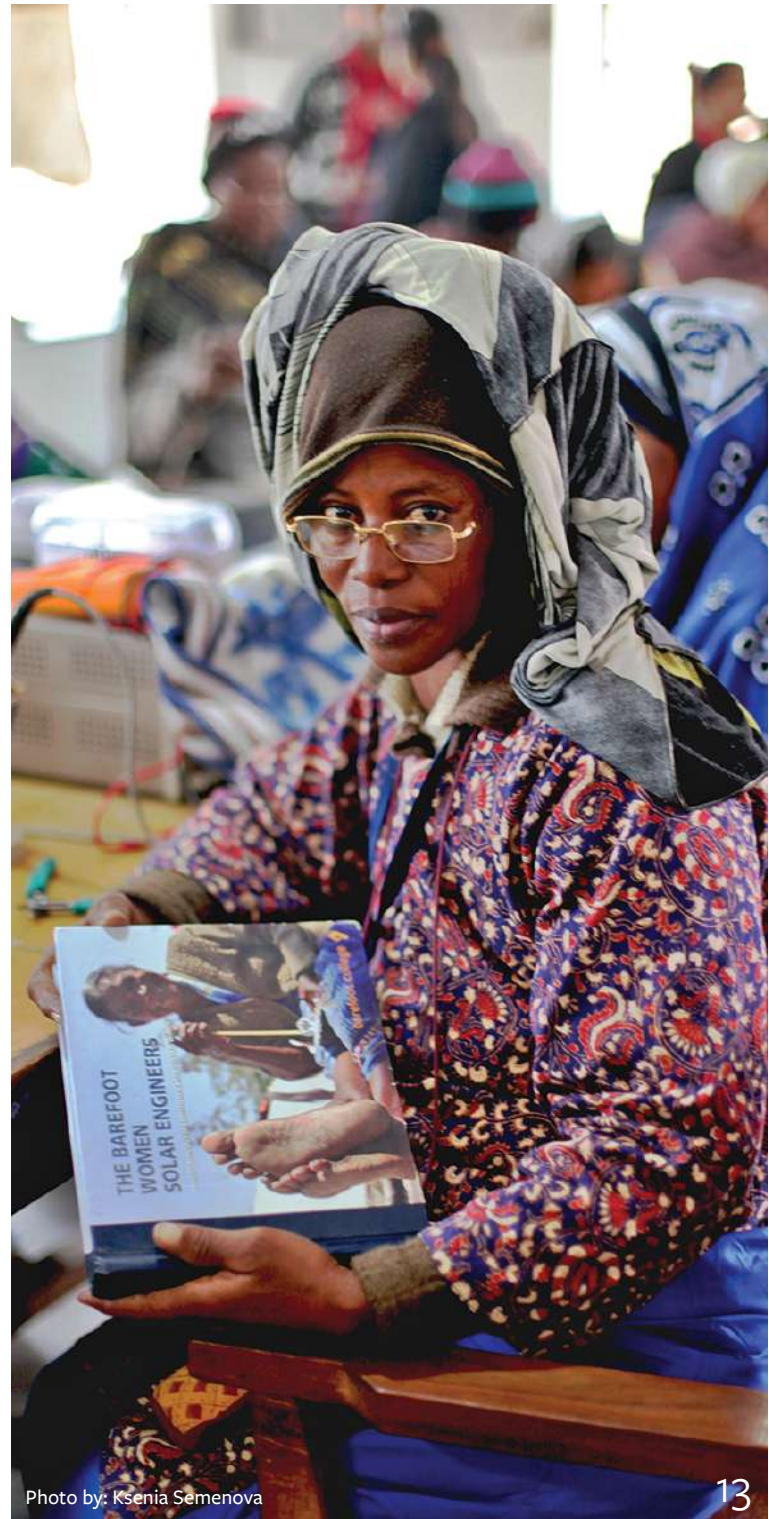
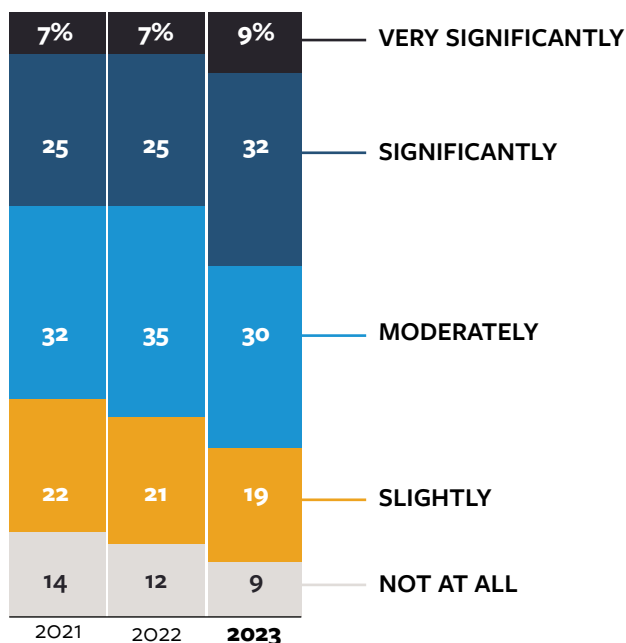


Photo by: Ksenia Semenova

Tips from CEOs who strongly agree their board is keeping up:

Get passionate people who really understand what the organization is trying to do, and then seek their relevant feedback.

Choose board members for their expertise—and leverage it. This might be board members who excel in roles that parallel that of your operational team—senior leaders in their respective industries—ensuring they are already aware of the best emerging practices. A matrix of skills, competencies, and experience for the complete board can be helpful in identifying gaps when recruiting.

Help educate board members on the changing environment. Share reading materials and landscape information in advance. Host keynote speakers at your meetings. And set board reports within the larger context of the changing external landscape and key trends.

Be cautious about board turnover during times of change—when broad and deep understanding is particularly important. New members can struggle to get up to speed at the rapid rate needed.

Ensure committee chairs and officers are experienced members of the board and understand the context. This way they can lead and impart awareness with grounded familiarity and discernment.

CULTIVATING AGILITY

In uncertain and complex environments, agility is crucial for an organization's survival. Encouragingly, over half of the organizations, 56%, surveyed are in the process of developing or implementing a plan or evaluating recent significant **changes to foster agility**. This is a positive sign, as research by McKinsey has shown that agile organizations were better equipped to respond quickly to the challenges posed by the COVID-19 crisis.⁶

GOVERNING BOARDS—ATTUNEMENT IS A COMMON CHALLENGE

According to the survey, **52%** of CEOs who responded believe that their organization's **governing board is keeping pace with the rapid changes** in the external operating environment. This is in contrast to the higher percentage of CEOs (**72%**) who believe that **their organization is keeping up with the changes**. For the remaining 48% of organizations, open-ended comments suggest that many board members are from outside of the global development and humanitarian sector. Keeping board members aware of changes in the external operating environment is a challenge. As one executive shared,

“We are constantly managing the challenge of bringing board members up to speed on the sector and the organization and the rate of external operating environment change is significant.”

LARGE ORGANIZATIONS ARE ON THE MOVE

The larger the organization, the more likely it was to agree that its external operating environment is significantly changing—and the more likely to agree that the organization is vulnerable to significant business model disruption.⁷

Similarly, the larger the organization, the further along the respondent indicated their organization to be in making a significant change regarding:

- Mergers and acquisitions
- Developing new categories of resources
- Accumulating financial reserves
- Cultivating agility
- Investing in leadership development
- Preventing and responding to sexual exploitation, abuse, and harassment
- Geographically dispersing authority closer to program locations
- Environmental sustainability practices
- Diversity, equity, and inclusion practices⁸

DEI: Larger organizations tend to have a stronger inclination regarding DEI as a priority, and they are more likely to have taken actions to support DEI, such as establishing a standardized process for employee complaints related to DEI issues. Additionally, organizations that are further along in their DEI efforts are more likely to have increased diversity and representation in their governance or leadership structures over the past year.⁹

EFFECTS OF COVID-19: In comparison to smaller organizations, larger organizations were relatively less negatively impacted by the ripple effects of COVID-19. They were even more likely to anticipate cost savings resulting from the pandemic's impact. Moreover, larger organizations were more inclined to modify their operating models in response to the impact of COVID-19.¹⁰

Photo by: Aliasghar Yousefi



WHAT ORGANIZATIONS FARTHER ALONG IN ACCOMPLISHING THEIR GOALS HAD IN COMMON

We asked to what extent had organizations accomplished their goals. Organizations farther along in achieving their goals also indicated:

- Less sense of business model vulnerability, less change in their business model, less change regarding social enterprise collaboration or deployment, and less elimination of functions, offices, or programs.

- Lower negative ramifications from the effects of COVID-19.

- Both the organization and its governing board are keeping up with the rate of change in the external operating environment more so than other respondents.

- In the past year they

- Developed more extensive new categories of revenue sources.
- Used systems or dashboards to monitor program performance.
- Increased diversity or representation in governance or leadership structures.
- Elevated focus on prevention of sexual exploitation, abuse, and sexual harassment.¹¹

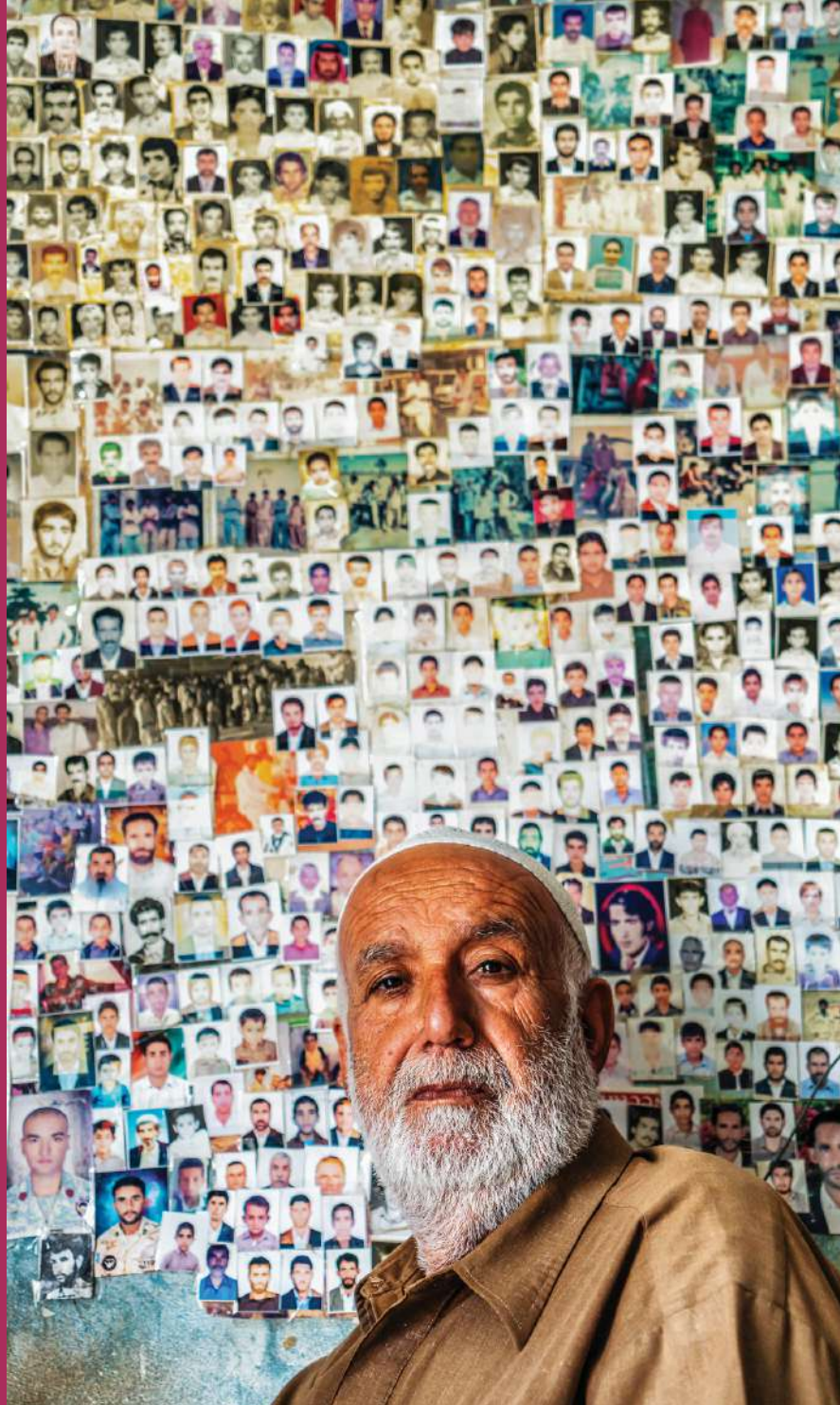


Photo by: Hamid Jamshidian

This is a time of great change in the world around us. Organizations are making significant business model changes, diversifying revenue, and figuring out how to shift and share power. Confidence in leading a high-impact organization is hard earned.



RESOURCES TO SUPPORT SUCCESSFUL CHANGE

- 👉 **Nine Tips for Leading Critical Change**
InterAction
- 👉 **Simplify Adaptive Focus During Unprecedented Times**
InterAction
- 👉 **Research and Insights on Leading Changes That Matter**
Conner Advisory
- 👉 **Practical Lessons on Building an Agile Culture, Leading Agile Transformation: The New Capabilities Leaders Need to Build 21st Century Organizations;**
- 👉 **The Five Trademarks of Agile Organizations,**
McKinsey

LEADERSHIP DEVELOPMENT

- 👉 **What is a Leadership Development Program and Why Do You Need One?,** *BetterUp*
- 👉 **How Nonprofit Leadership Development Sustains Organizations and Their Teams**
The Bridgespan Group

BOARDS

- 👉 **The Board's Role in Major Change**
Conner Advisory
- 👉 **Basics and Best Practices for Nonprofit Board Governance**
Board Effect
- 👉 **The Effective Not-for-Profit Board**
Deloitte
- 👉 **Spotting and Fixing Dysfunctional Nonprofit Boards**
Stanford Social Innovation Review
- 👉 **Eight Signs Your Board Might Be Dysfunctional**
The Center for Effective Philanthropy
- 👉 **Governance: A Guide for International NGOs**
Bond

HOW ORGANIZATIONS ARE ADVANCING CHANGE

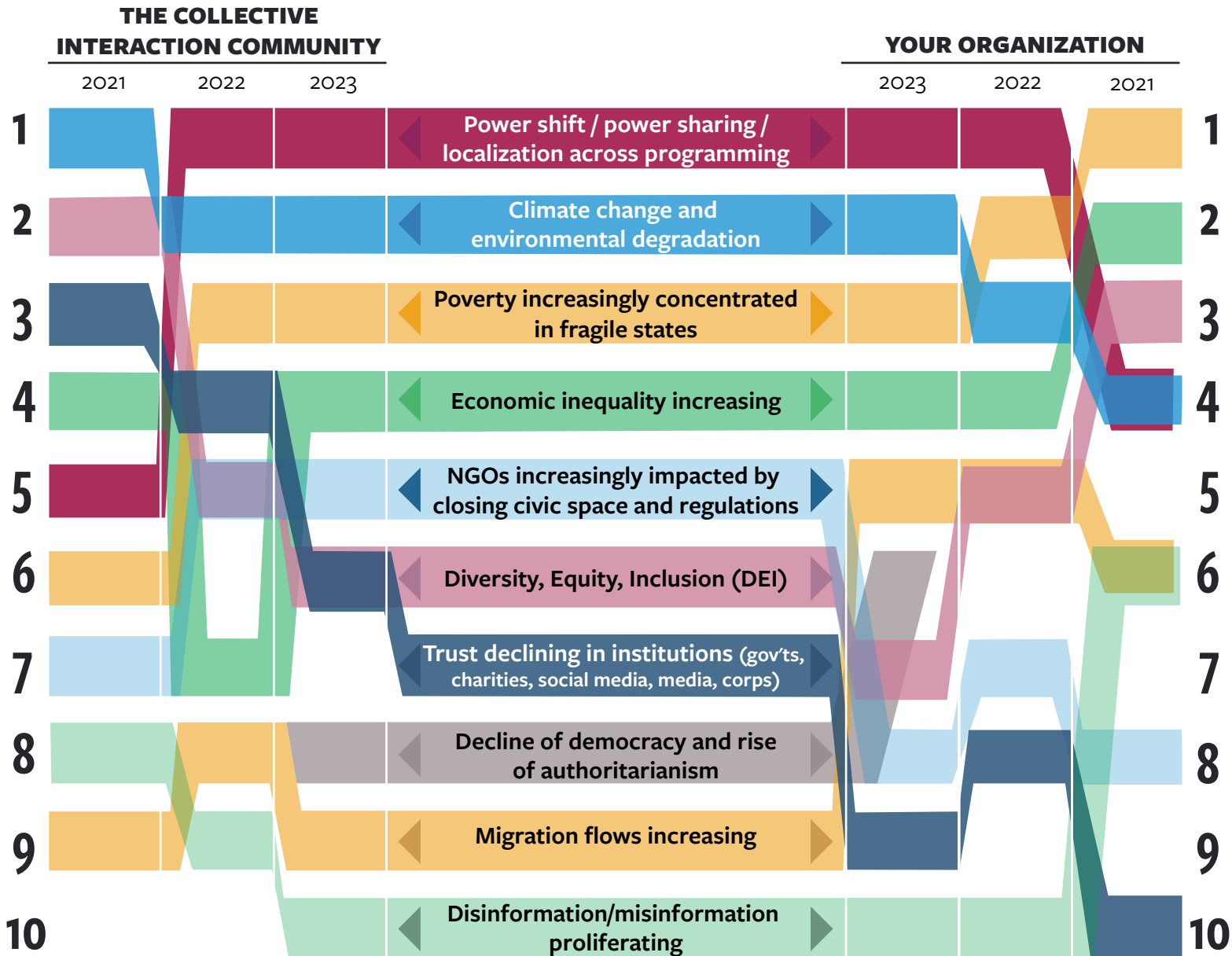
ENDURING TRENDS FOR PRIORITIZED ACTION

We asked respondents to prioritize their top three enduring trends to be addressed by their respective organizations and the InterAction community as a whole.

Prioritize the top three enduring trends to be addressed by:

The top 2 trends to be tackled both by organizations and the collective InterAction community are:

- Power shift / power sharing / localization across programming
- Climate change and environmental degradation



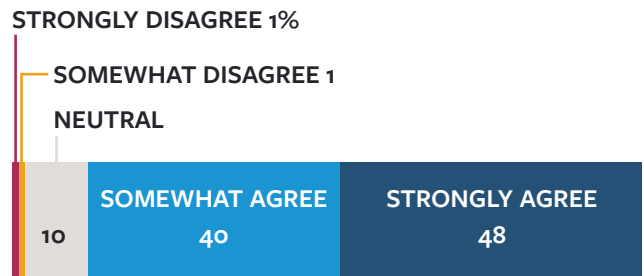
Power shift / power sharing / localization across programming

In recent years, there has been a significant increase in the prioritization of power shift / power sharing / localization in programming. In **2020**, this area was ranked at the bottom of the list, but it advanced to fifth place in **2021** and **is now the top priority for action in both 2022 and 2023.**

Forty-eight percent strongly agree that prioritizing power shift / power sharing / localization is important, while an additional 40% somewhat agree.

Donor governments are also making changes in this area. For example, **USAID** has pledged 25% of its assistance to local partners within the next four years and to have local communities lead at least 50% of its assistance by the end of the decade. In addition, Finland and Denmark are now

Power shift / power sharing / localization across programming is a priority for my organization



requesting that NGOs demonstrate how their projects build local capacities.¹²

Large and influential INGOs have adopted new commitments via the **Pledge for Change** around equitable partnerships, authentic storytelling, and influencing wider change.

As the Center for Humanitarian Leadership notes, “the Charter 4 Change, the Grand Bargain commitments, and the Black Lives Matter (BLM) movement have converged alongside the COVID-19 pandemic to further challenge power dynamics and entrenched perceptions.”¹³

And organizations are acting.

70%

of respondents' organizations increased power sharing and localization in the past year—33% of them significantly so.

87%

of organizations agree that those most closely connected to local concerns are playing a leading role in program design, up from 78% the year prior.

60%

of organizations are dispersing authority closer to program locations.

57%

of organizations are working differently with local actors.

Organizations shared about internal changes to support their visions of power shift / power sharing / localization across programming. CEOs feel the most satisfied with their program design. In fact, seventy-three percent somewhat or strongly agree they are where they need to be. But they recognize that there is significant room for improvement in their governance structures and decision-making processes.

However, **confidence levels have dropped in certain areas.** This may be

because INGOs are becoming more aware of what they still need to accomplish. As one CEO shared in a webinar, they are “consciously incompetent” and gaining greater clarity on the necessary changes.

In particular, confidence in having the appropriate governance structures and decision-making processes to support power shift / power sharing / localization across programming decreased from 57% in 2022 to 48% in 2023. Confidence levels also slightly decreased regarding internal processes and program design.

TO SUPPORT OUR VISION ON POWER SHIFT / POWER SHARING / LOCALIZATION ACROSS PROGRAMMING, MY ORGANIZATION IS WHERE IT NEEDS TO BE REGARDING CHANGES IN:

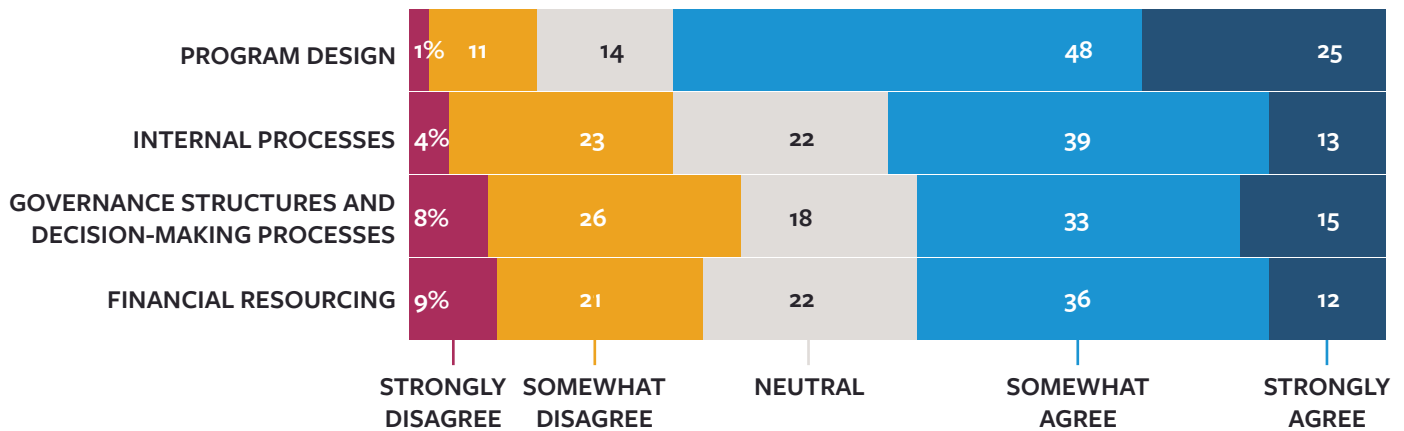


Photo by: Alex Bazar-Rosen



Respondents noted that advancement is not easy. The current standard model is an ill fit for the vision ahead. It will require **major culture and operational shift** and will take sustained effort. As two CEOs see it:

“A core challenge for our sector is the tension between localization/power shift imperative and the traditional Western-centric NGO business model. (We) need to re-think the size and role of INGOs relative to local partners and be prepared to be supporters and connectors rather than the center of the operation (and the narrative).”

In a public **webinar**, CEOs of FHI 360, Catholic Relief Services, and Save the Children U.S. noted comfort in seeing their balance sheets decrease as more funding went to local organizations. They also emphasized the need to move away from revenue as a success metric. Organizations are globally diversifying their leadership staff and boards of directors. They are moving headquarters locations. And they are shifting license to operate and empowered action towards those closest to program impact.

“Anti-racism and decolonization is critical and will require a lot of sustained effort to affect work and change.”

RESOURCES TO SUPPORT LOCALLY LED DEVELOPMENT, POWER SHIFT, AND POWER SHARING

 **What is Locally Led Development?**
USAID

 **Implementing the Locally Led Agenda Will Require Paradigmatic Changes**
Alliance for Peacebuilding

 **Locally Led Development and Localization in Humanitarian Response**
InterAction

 **Local Leadership in Humanitarian Response Initiative**
InterAction

 **Accelerating Inclusive Power Shift: An aggregated benchmarking study**
International Civil Society Centre

 **From Operations to Outcomes: A Policy Blueprint for Locally Led Development and The Journey to Equitable Development**
Humentum

 **Becoming Locally Led as an Anti-Racist Practice: a Guide**
Bond

 **Collaborative Research**
The Movement for Community-led Development

 **Localization Performance Measurement Framework**
NEAR

CEO INTERNAL TIPS ON POWER SHIFT CHANGES

InterAction held a session unpacking internal power shift changes as part of its 2023 CEO Retreat. Some tips emerged:

- Have a change management plan from the start.
- Explore all models of power shift to see what feels right. Look holistically at your business model to determine what change is sustainable. Be clear on your value proposition and financial model, what you do and why you do it, and the operating model of how the work gets done. Reflect on what is it sustainable if you shift aspects of your operating model.
- Seek critical friends.
- Communicate to your board what power shift is to the organization's identity and its mission.
- Calibrate the pace of change. Balance the desire to push, transition, transform, with ensuring that country programs are staffed with the correct skills, capacity, and systems.




Climate

Climate change/environmental degradation is the number two enduring trend for **prioritized action**—action both by respondents' own organizations and by the collective InterAction community.

Poorer countries are in areas with higher temperatures, which are projected to increase significantly. This change will have an impact on how these countries **pursue economic development**.

The World Economic Forum notes that **climate action failure will dominate the next decade of global risks**.

Significant historical changes are underway, including the establishment of a **Loss and Damage Fund** at the United Nations Climate Conference (COP 27), which will provide support to nations most vulnerable and impacted by the effect of climate change.

The speed and scale of climate action is challenging. There are different paths and different ideas of what actions to take. Reos Partners provides a **guide for how to radically collaborate**. 

- 1. Start with a shared purpose.** This will help diverse participants align their attention and collaborate.
- 2. Focus on commitment to engage.** The path to the solution is not yet known; simply agree to explore together.
- 3. Be curious and open-minded.** This will lead to new outlooks and new solutions.
- 4. Arrive knowing how you can best contribute.** Then play that role.

Forty-seven percent of InterAction's NGO Futures CEO Survey respondents indicate that their organizations are making significant change in environmental sustainability practices.

Photo by: Dipayan Bhar



On the 50th anniversary of Earth Day, InterAction launched the **NGO Climate Compact** to pledge concerted, unified, urgent action to address climate change. The InterAction **NGO Climate Compact Report on Progress** of its 93 signatories highlights practical steps organizations are taking, toward sustainability.

The Report also highlights the **challenges** faced by organizations in the 2.5 years since the compact was launched. Signatories have identified several challenges, including limited staff capacity to work on climate-related issues, competing priorities, and a lack of technical or relevant expertise. The biggest obstacle to progress on the Compact is internal constraints.

On Earth Day 2023, InterAction launched the **Climate Compact 2.0**. This second iteration provides additional guidance around more concrete and robust organizational climate action.

The NGO Climate Compact helps NGOs collectively address climate change through commitments within three key pillars:

- 1 External education and advocacy
- 2 Programs, and
- 3 Internal operations

CLIMATE RESOURCES

- 👉 **NGO Climate Compact, Progress Survey, and NGO Climate Compact 2.0**, *InterAction*
- 👉 **Economic Development in an Era of Climate Change**, *Carnegie Endowment for International Peace*
- 👉 **Radical Collaboration to Accelerate Climate Action**, *Reos Partners*
- 👉 **2022 in Review: Climate Change**, *The New Humanitarian*

Photo by: Sohel Parvez Haque



DIVERSITY, EQUITY, AND INCLUSION

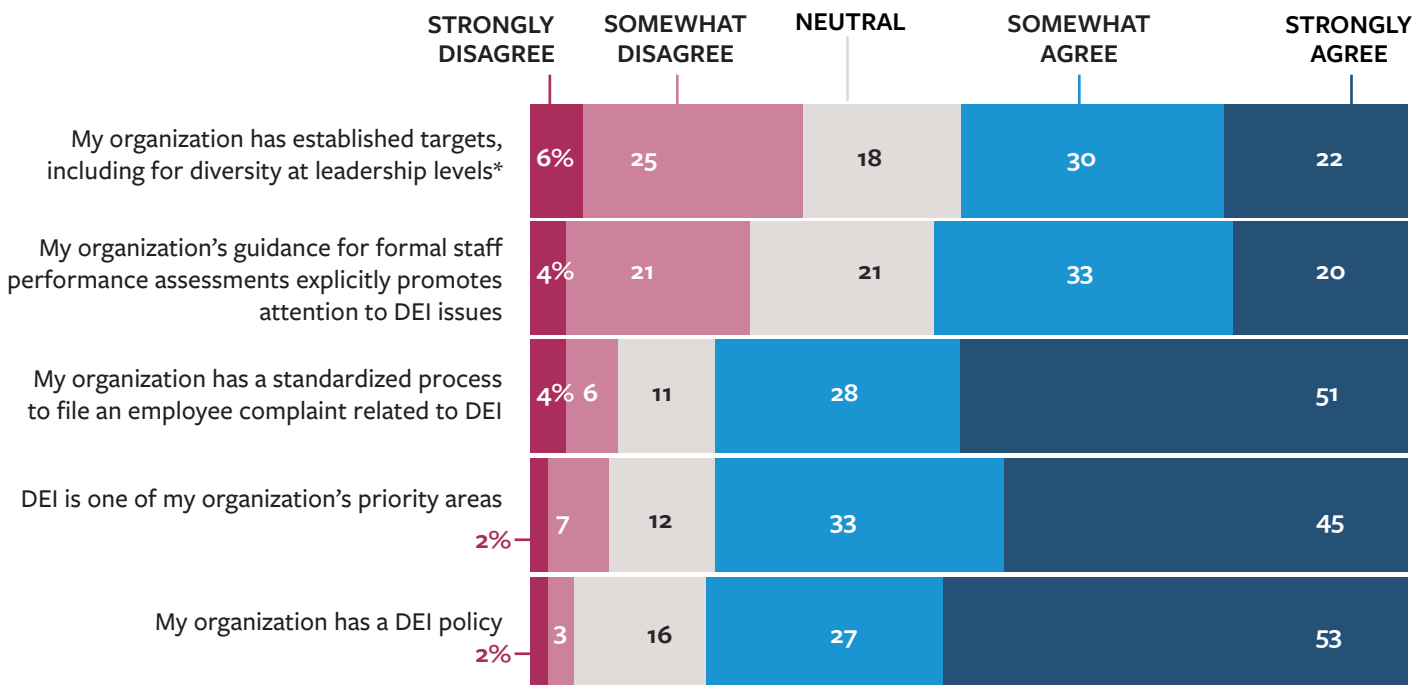
Compared to other enduring trends, the prioritization of diversity, equity, and inclusion (DEI) has decreased. In **2021**, it was the second most prioritized trend for the collective InterAction community, but it fell to fifth in **2022** and sixth in 2023. Similarly, in 2023 it was ranked seventh for individual organizations to address. Only 25% of respondents ranked DEI as a top three priority compared to other enduring trends. However, when asked separately, 78% of respondents agreed that DEI is a priority area for their organization—a nearly identical response from 2021 and 2022.

In May 2022, InterAction launched the **DEI Compact: INGO Commitments Toward Greater Diversity, Equity, and Inclusion**, to support the collective advancement of DEI in the INGO sector. The launch codified our community’s promise to do better in concrete ways. With 78 official

signatories, the compact includes baseline commitments within operations, programs, engagement and advocacy, learning, and communications. It also provides **resources for practical implementation** to help guide organizations’ progress.

Many organizations are implementing significant changes in their DEI practices, with 75% of respondents developing, executing, or evaluating such changes, similar to the previous year. Additionally, 40% reported a significant or very significant increase in diversity or representation in their leadership or governance structures over the past year.

78%
of respondents agreed that DEI is a priority area for their organization



*With organizational data on diversity and staff perceptions of inclusion and belonging to accurately inform metrics and identify gaps.



Photo by: Jérémie Lusseau




Eighty percent of respondents have a DEI policy, a slight increase from 2022. And 79% have a standardized process to file an employee complaint related to DEI—also a slight increase from 2022.

Slightly more than 50% of the organizations surveyed have set targets for diversity in leadership roles and collect data on diversity and staff perceptions of inclusion and belonging in an effort to identify gaps and measure progress. In addition, just over half of these organizations have specific guidelines in place for staff performance assessments that prioritize DEI issues.

A significant portion of InterAction Member organizations are actively taking steps to promote DEI. However, as resources start to

become more restricted, CEOs are having to choose between DEI and other issues. As one CEO shared, **“How do we fund all these efforts?”**

DEI RESOURCES

-  **DEI Compact and Resources for Practical Implementation**
InterAction
-  **What is DEI? Market Signals of Diversity, Equity, and Inclusion**
Rights CoLab
-  **Anti-racism and Decolonizing Framework**
Bond
-  **The Role of Senior Leaders in Building a Race Equity Culture**
Bridgespan

PREVENTING SEXUAL EXPLOITATION, ABUSE, AND HARASSMENT (PSEAH)

Since 2018, more than 140 of InterAction's Member CEOs have signed the **Pledge on Preventing Sexual Exploitation, Abuse, and Harassment** by and of NGO Staff. Incorporating PSEAH into every aspect of an organization's systems and operations requires intentional and continuous attention and commitment.

Overall commitment to and progress on PSEAH remains consistent, and fewer organizations believe that the past year's challenges have made it difficult to prioritize PSEAH to the extent needed.







Remaining fairly consistent:



Photo by: TKD

- 1** The proportion of organizations making a significant change in PSEAH.
- 2** Continued increased focus on PSEAH.
- 3** The proportion of respondents who believe their leadership team does everything it can to let staff at all levels know safeguarding is an organizational priority.
- 4** Agreement that their organization invests in the staff and resources necessary to operationalize their commitments to the InterAction CEO PSEAH pledge fully.
- 5** Belief their organization has collective ownership, driven from the top down, to prevent and respond to sexual exploitation, abuse, and harassment.

RESOURCES ON PREVENTING SEXUAL EXPLOITATION, ABUSE, AND HARASSMENT

-  Preventing Sexual Exploitation and Abuse in Humanitarian Action, a PSEAH training video, in 40 languages, InterAction
-  Core Standards for Survivor-Centered Support of Sexual Exploitation, Abuse, and Harassment, InterAction
-  CEO Pledge on Preventing Sexual Exploitation, Abuse, and Harassment by and of NGO Staff, InterAction
-  More Than an Afterthought, Recommendations from PSEA Focal Points, InterAction
-  Your Role in PSEAH, training, InterAction
-  A Human Rights Framework for Preventing Sexual Exploitation, Abuse, and Harassment, InterAction



LEADING INTO THE FUTURE

It is evident that the business, operational, and financial models that our sector has relied on for the past fifty years will need to adapt and change. Despite the progress in improving the quality of life globally, new challenges have emerged and continue to grow.

NGOs play a crucial role in addressing some of the most significant societal challenges. And to make a positive impact, NGOs must evolve, adapt, and embrace change.

This report provides a wealth of resources and highlights organizations that are at the forefront of advancing the sector. Take advantage of the numerous ways InterAction supports both Member and non-member organizations in navigating this rapidly changing world.

Photo by: Seyed-Mohammad Mousavi-Nadooshan



WAYS TO ENGAGE

1 JOIN INTERACTION

Gain instant access to the largest network of NGOs in the U.S. InterAction and its **Members** work together to support each other in eliminating extreme poverty and vulnerability, strengthening human rights and citizen participation, safeguarding a sustainable planet, promoting peace, and ensuring dignity for all people.

InterAction advocates on behalf of Member organizations, representing collective interests to senior U.S. Government officials, Members of Congress, and U.N. officials. As a Member, you can participate in policy and operational meetings with a diverse group of stakeholders, including other NGOs, outside experts, U.N. agencies, and U.S. government officials. And you can join together in thematic and issue-oriented **working groups** to establish common positions on critical policy issues and amplify your organization's influence and reach.

Members also enjoy a range of additional benefits, such as media exposure, networking and information-sharing opportunities, technical and capacity-building support, and increased visibility with donors and funders. Member CEOs also have access to an exclusive communication channel, where they can pose questions and chat about issues with their peers in a safe space.

3 ATTEND INTERACTION'S ANNUAL FORUM

InterAction's annual event, Forum, brings together leading NGO experts to collaborate, educate, and spark innovation. Through a mix of session formats, speakers from inside and outside the NGO community, structured networking, and informal discussions with peers, Forum helps NGOs and their leaders explore new ways to lead the sector into the future.

Forum 2023: Please join us for an exciting two-day event on October 18 & 19, 2023. Our exclusive CEO Track for InterAction Member CEOs takes place on day one. On day two the whole sector will come together for a day of conversation. Please contact Morgan Martinez, InterAction's Senior Director of Communications and Public Engagement, at mmartinez@interaction.org with any questions.

2 JOIN LEARNING AND EXPLORATION SESSIONS

InterAction offers **events** and learning opportunities where Members share new ideas, smart strategies, and perspectives on the evolving global landscape and emerging best practices. Learning session content is tailored to specific audiences to guarantee high-impact learning and opportunities for discussions and brainstorming.

Our CEO Conversation Series and other events in 2022 focused on the ever-changing funding landscape; practical implementation of power shift; maximizing board effectiveness for greater impact; redefining the nature of work; accelerating climate change; food insecurity; and building and leading INGOs in a post-pandemic world.

This year's CEO Conversation Series and other events feature donor trends and how to enter new donor markets; core standards for survivor-centered support of sexual exploitation, abuse, and harassment; creating an agile, global, and digital-first organization; housing, land, and property challenges in crisis contexts; real-world DEI; building a risk-intelligent culture; next steps on InterAction's NGO Climate Compact; strengthening boards; and tackling disinformation.

4 SUBSCRIBE TO THE NGO FUTURES DIGEST

InterAction publishes the **NGO Futures Digest**, a collection of quick tips and top insights on the world changing around us each month. Subscribe to this complimentary publication [here](#).



Photo by: Daniel C. White



Photo by: Tanya Roloff



Photo by: Marouane Sitti

¹<https://www.weforum.org/reports/global-risks-report-2023/digest>

²<https://www.thenewhumanitarian.org/analysis/2023/01/03/ten-humanitarian-crises-trends-to-watch>

³<https://www.globalcitizen.org/en/content/rich-countries-cutting-international-aid-budget/>

⁴CEOs reference the struggle of institutional donors shifting risk to INGOs without additional resourcing. See the below graphic for InterAction-defined risk categories. For a full glossary of terms and definitions, see *InterAction's Risk III materials*, Responding Amid Uncertainty and Managing Risk in Humanitarian Settings.

⁵<https://www.rockefellerfoundation.org/commitment/innovative-finance/>

⁶<https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/an-operating-model-for-the-next-normal-lessons-from-agile-organizations-in-the-crisis>

⁷Perception that the external operating environment is significantly changing has a significant positive correlation with size ($r=0.29$; $p \leq 0.05$). Perception that the organization is vulnerable to significant business model disruption also has a significant positive correlation with size ($r=0.22$; $p \leq 0.05$).

⁸The larger the organization, the further along the respondent indicated their organization to be in making significant change regarding mergers and acquisitions ($r=0.36$), developing new categories of resources ($r=0.20$), accumulating financial reserves ($r=0.25$), cultivating agility ($r=0.31$), investing in leadership development ($r=0.29$), preventing and responding to sexual exploitation, abuse, and harassment ($r=0.27$), geographically dispersing authority closer to program locations ($r=0.22$), its environmental sustainability practices ($r=0.25$), and its diversity, equity, and inclusion practices (0.38). For all values $p \leq 0.05$.

⁹The larger the organization, the stronger the agreement that DEI is an organization priority ($r=0.37$), and the stronger the likelihood of agreeing the organization has taken actions in support of DEI, such as having a standardized employee complaint process related to DEI ($r=0.32$). Also the larger the organization, the further along it also indicated being regarding increasing diversity or representation in governance or leadership structures in the past year ($r=0.31$). For all values $p \leq 0.05$.

¹⁰The larger the organization, the less likely it was to agree that knock-on effect of COVID-19 resulted in significant 2022 funding losses for their organization ($r=-0.29$). In fact, they were more likely to anticipate savings from the effects of COVID-19 ($r=0.22$). They also were more likely to report shifting their operating models in response to the effects of COVID-19 ($r=0.24$). For all values $p \leq 0.05$.

¹¹There is a significant negative correlation between the extent to which organizations reported accomplishing their goals and sense of business model vulnerability ($r=-0.30$), change in their business model ($r=-0.21$), change regarding social enterprise collaboration or deployment ($r=-0.26$), and elimination of functions, offices, or programs ($r=-0.21$)—as well as lower negative ramifications from the effects of COVID-19 ($r=-0.30$). For all values $p \leq 0.05$.

There is a significant positive correlation between the extent to which organizations reported accomplishing their goals and their governing boards keeping up with the rate of change in the external operating environment ($r=0.29$), developing new categories of revenue sources in the past year ($r=0.25$), use of systems or dashboards to monitor program performance ($r=0.21$), increasing diversity or representation in governance or leadership structures in the past year ($r=0.21$), and increased focus on prevention of sexual exploitation, abuse, and sexual harassment in the past year ($r=0.25$). For all values $p \leq 0.05$.

¹²<https://www.thenewhumanitarian.org/analysis/2023/01/04/aid-policy-trends-to-watch-in-2023>

¹³<https://centreforhumanitarianleadership.org/research/publications/transformation-in-the-aid-and-development-sector>

¹⁴<https://www.interaction.org/wp-content/uploads/2023/02/Forging-Ahead-NGO-Climate-Compact-Report-on-Progress-to-Date-from-the-Annual-Member-Survey.pdf>, p.19.

RISK CATEGORIES





2023 NGO FUTURES REPORT APPENDIX



Photos from top:
João Miguel Pinheiro
Hakan Yarali
Dipayan Bose

Cover: Debdatta Chakraborty

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Note: Some graphics in the Appendix don't add up to 100 due to rounding.

TABLE 1. Types of responding organizations

Select all that strongly apply for your organization: humanitarian, global development, advocacy focus, operational focus.

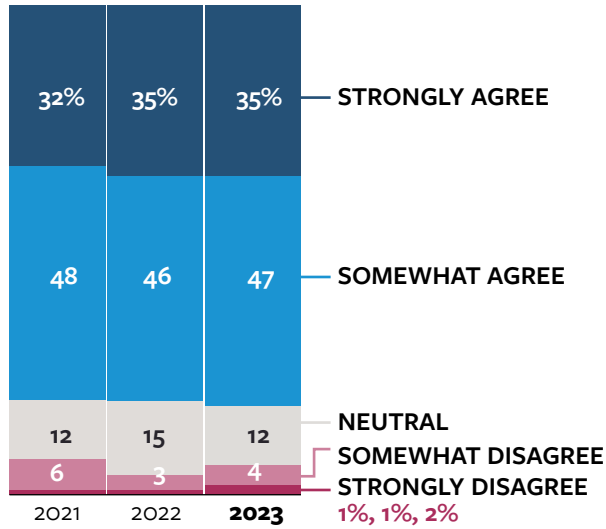
	HUMANITARIAN	HUMANITARIAN AND GLOBAL DEVELOPMENT	GLOBAL DEVELOPMENT	ADVOCACY	
NOT ADVOCACY, NOT OPERATIONAL	6%	18%	12%	N/A	
ADVOCACY	3%	7%	9%	3%	ADVOCACY FOCUS 39%
ADVOCACY AND OPERATIONAL FOCUS	3%	11%	1%	1%	
OPERATIONAL FOCUS	5%	14%	5%	N/A	OPERATIONAL FOCUS 39%
	HUMANITARIAN 68%		GLOBAL DEVELOPMENT 78%		

KEEPING UP WITH THE CHANGING WORLD

TABLE 2. External operating environment change

Please rate the following statement.

The external operating environment within which my organization operates is significantly changing.

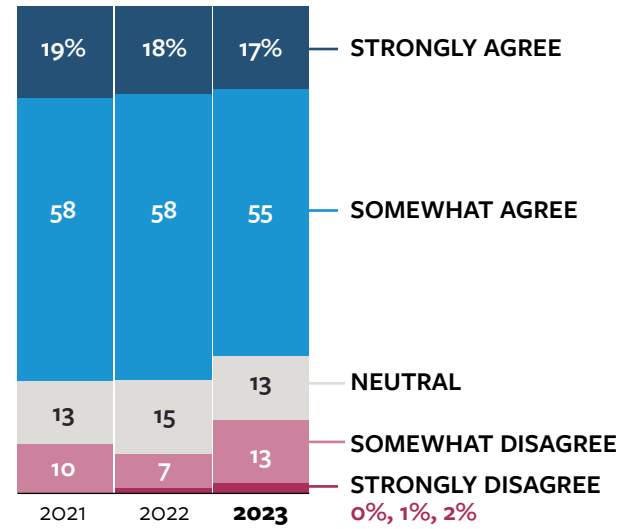


Consistent for the past three polled years, 80-82% of CEOs see significant change in their organizations' external operating environment.

TABLE 3. Organization overall and keeping up with external change

Please rate the following statement.

Apart from the board, my organization overall is keeping up with the rate of change in the external operating environment.*



There is similarly a **slight annual decrease in confidence** that the organizations themselves are keeping up with the rate of change in the external operating environment. See tables 19 and 22 for governing board data.



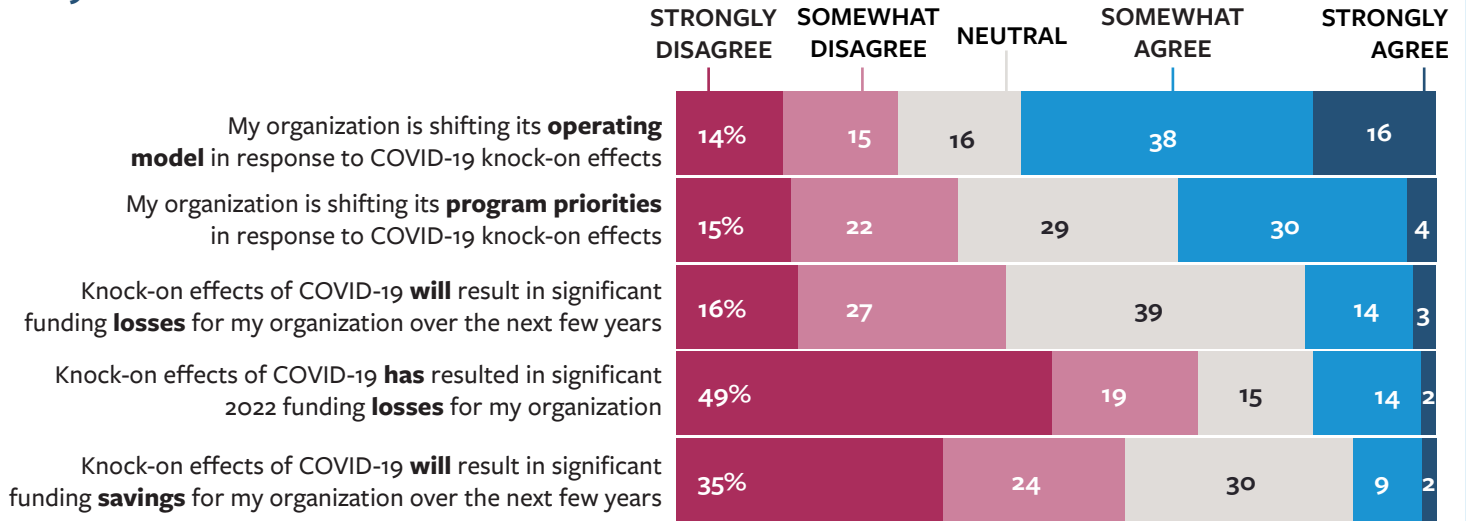
Photo by: Hardik Gaurav

CHANGED SPARKED BY COVID-19

TABLE 4. Responding to and impacts from knock-on effects of COVID-19

Please rate the following statement.

COVID-19 knock-on effects



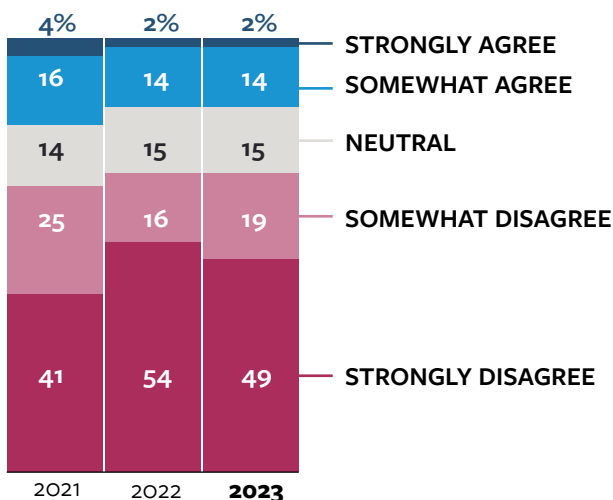
Thirty-four percent are shifting their program priorities and 54% are shifting their operating models in response to effects from COVID-19.

Sixteen percent of respondents believe impacts from COVID-19 resulted in significant funding losses. The proportion decreases looking ahead over the next few years to 11%—,and 17% think effects of COVID-19 will result in significant savings over the same time period.

TABLE 5. Funding losses from knock-on effects of COVID 19

Please rate the following statement.

Knock-on effect of COVID-19 resulted in significant funding losses for my organization in the previous year

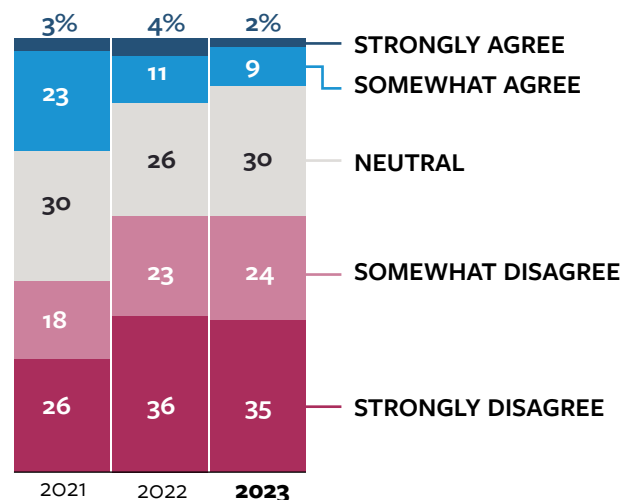


Perception of **funding losses** from the effects of COVID-19 remain fairly consistent, with 16% observing loss.

TABLE 6. Funding losses over the next few years from knock-on effects of COVID-19

Please rate the following statement.

Knock-on effect of COVID-19 will result in significant funding losses for my organization over the next few years

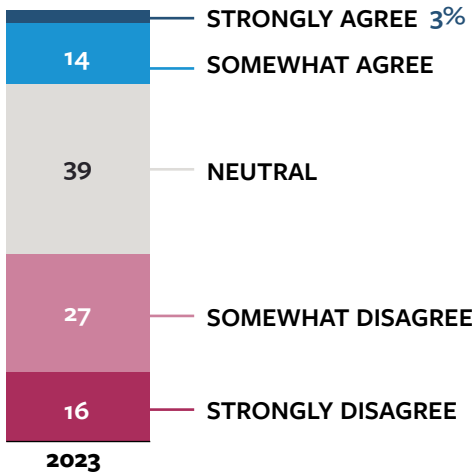


Looking ahead, **COVID-related financial concerns are easing**, with the proportion of respondents who anticipate losses in the next few years dropping down to 11%.

TABLE 7. COVID-19-triggered funding savings over the next few years

Please rate the following statement.

Knock-on effects of COVID-19 will result in significant funding savings for my organization over the next few years.

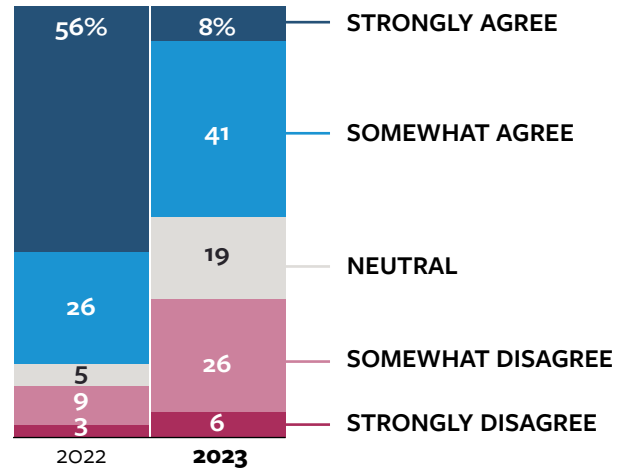


Seventeen percent of respondents anticipate significant **funding savings** over the next few years due to effects of COVID-19.

TABLE 8. Remote vs. in-person work norms changes

Please rate the following statement.

My organization has made major policy changes to our norms for employees related to remote vs. in-person work.

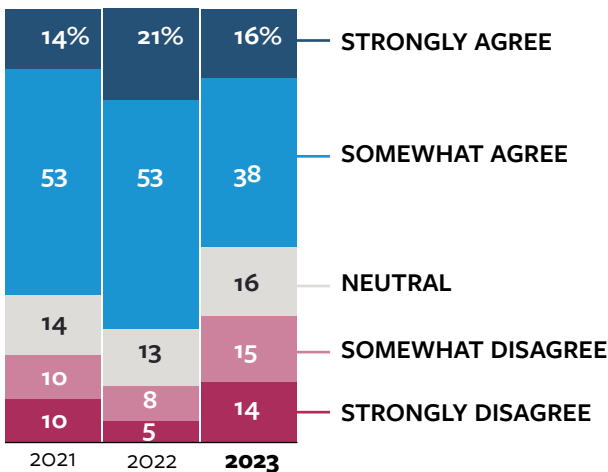


After 82% noted major changes in their employee norms related to remote versus in-person work in 2022, the proportion noting major changes fell back to 49%.

TABLE 9. Operating model shift in response to knock-on effects of COVID-19

Please rate the following statement.

My organization is shifting its operating model in response to COVID-19 knock-on effects.

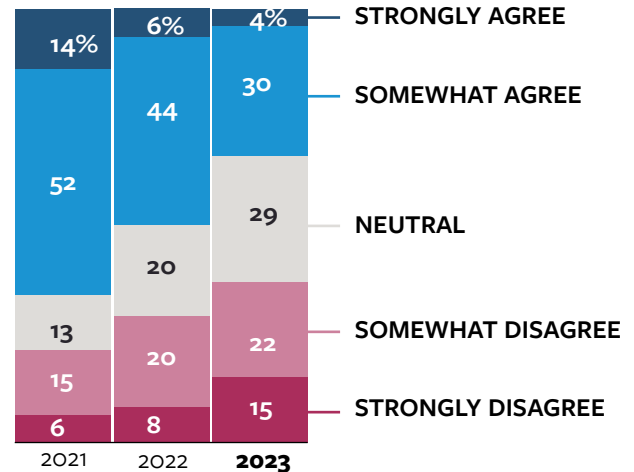


A **lower proportion** of organizations are **shifting** their **operating model** in response to effects from COVID-19 than in previous years.

TABLE 10. Program priority shift in response to knock-on effects of COVID-19

Please rate the following statement.

My organization is shifting its program priorities in response to COVID-19 knock-on effects.



A **lower proportion** of organizations are **shifting** their **program priorities** in response to effects from COVID-19 than in previous years.

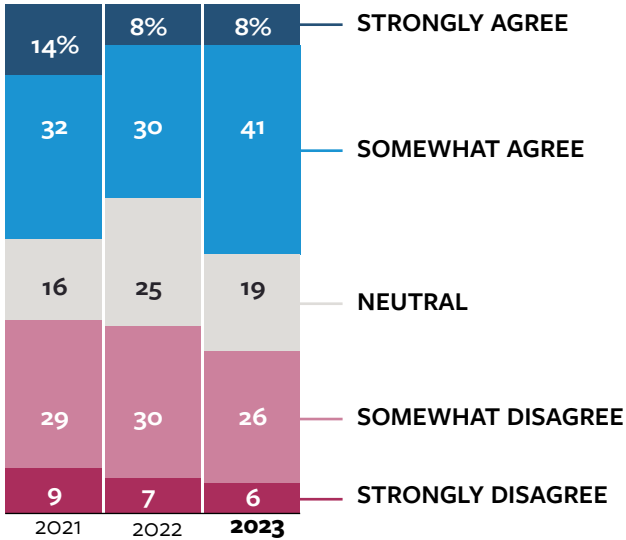


ORGANIZATIONS ARE MAKING BIG CHANGES

TABLE 11. Business model vulnerability

Please rate the following statement.

My organization is currently vulnerable to significant disruption to its business model.



Concern regarding business model vulnerability increased.

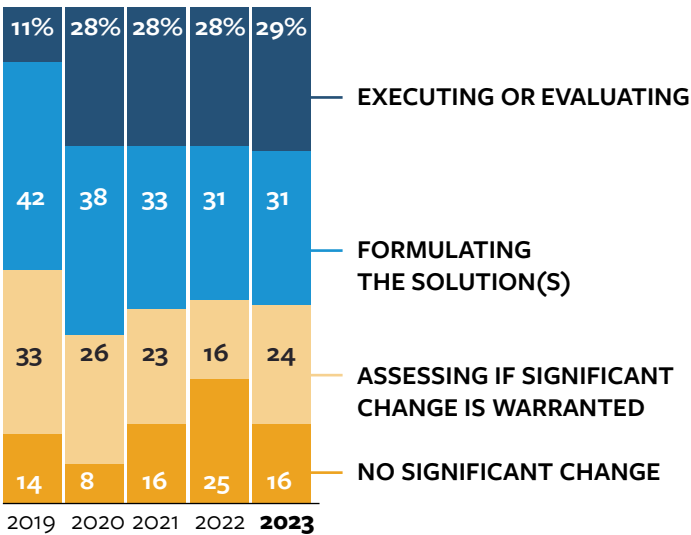
In 2023, 49% of respondents believe their business model is vulnerable to significant disruption. The 2022 drop may have been related to an influx in funding to fight COVID-19. As one executive shared,

“There was a one-off increase in revenue during the pandemic, which led to an accumulation of reserves. Our challenge is to avoid creating long-term liabilities (expanding staff) when the revenue bump seems to have been temporary.”

TABLE 12. Business model change

Please rate the following topics according to where your organization is on the change spectrum.

Significant business model change

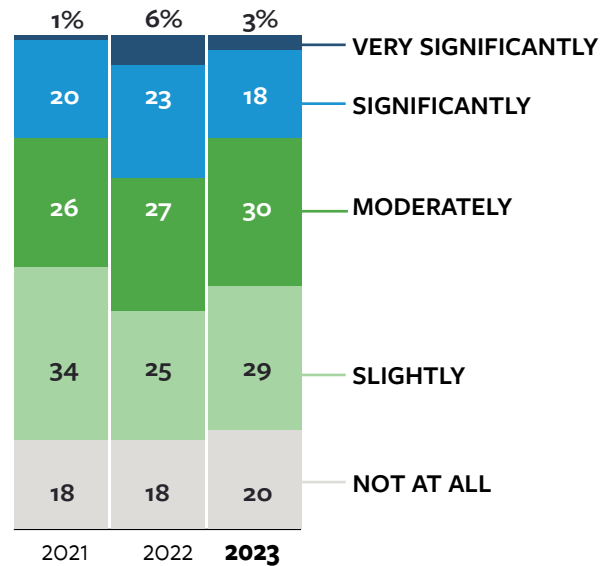


In 2023, 60% of organizations are formulating, executing, or evaluating **significant business model change**. The proportion of organizations making significant business model change remains fairly stable over the polled years.

TABLE 13. New categories of revenue sources

In the past year, has your organization...

Developed new categories of revenue sources

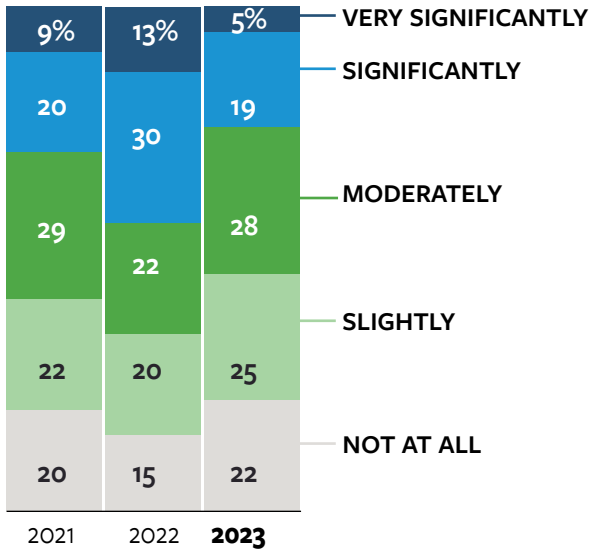


Twenty-one percent of respondents organizations significantly or better **developed new categories of revenue sources** in the past year. An additional thirty percent developed a moderate level of new revenue source categories.

TABLE 14. Financial reserves accumulation

In the past year, has your organization...

Accumulated financial reserves.

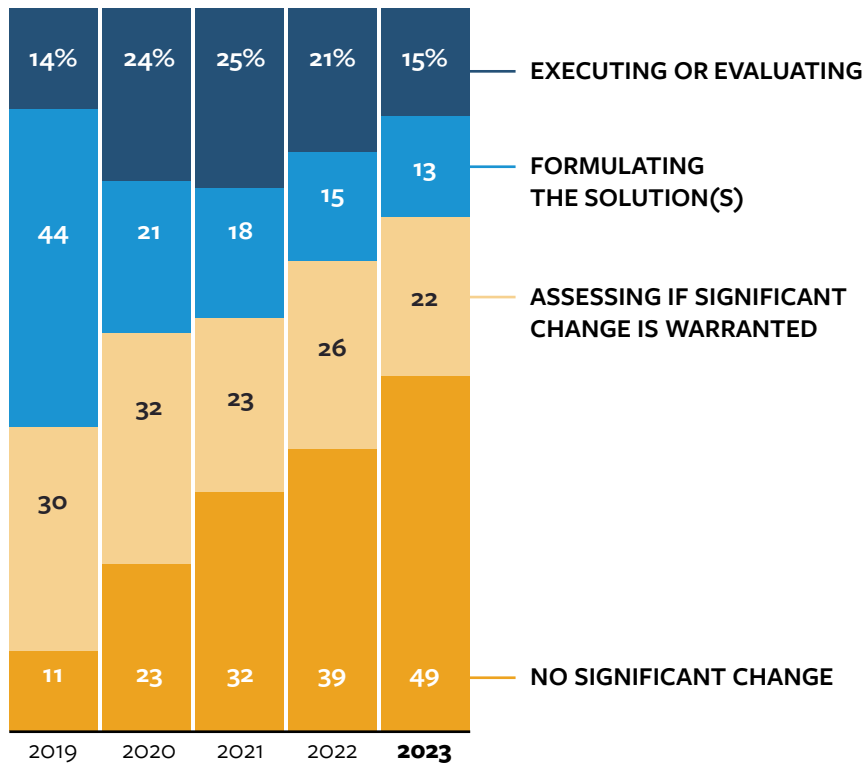


After a 2022 bump up in financial reserves, which many CEOs attribute to funding for COVID-19 and its related knock-on effects, **financial reserves accumulation has returned to proportions similar to what was reported in January 2021.**

TABLE 15. Social enterprise collaboration or deployment

Please rate the following topics according to where your organization is on the change spectrum.

Social enterprise collaboration or deployment



Over the past five years, a decreasing proportion of organizations have been involved in change regarding social enterprise collaboration or deployment. Whereas in 2019 58% were formulating, executing, or evaluating significant change in this realm—and an additional 30% were evaluating it—in **2023, 28% are formulating, executing, or evaluating change and 22% are assessing if significant change is warranted.**

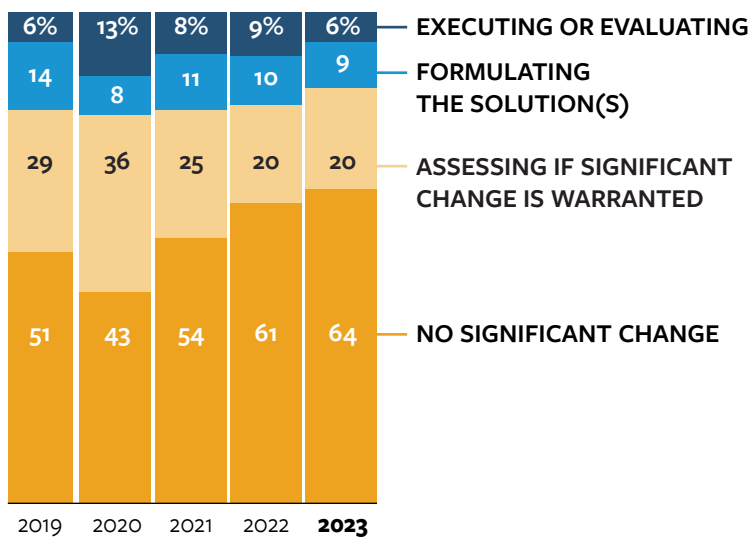


Photo by: Ihsaan Haffejee

TABLE 16. Mergers and acquisitions

Please rate the following topics according to where your organization is on the change spectrum.

Mergers and acquisitions

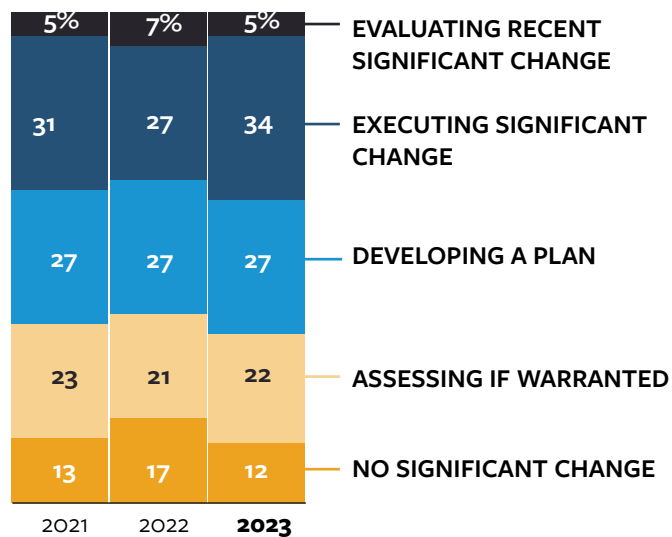


Consistent with 2022 and a bit down from the prior three years, **20% of respondents** organizations are **assessing** if significant change is warranted on the M&A front. An additional 9% are formulating solutions, and 6% are executing or evaluating a recent merger or acquisition.

TABLE 17. Program changes

Please rate the following topics according to where your organization is on the change spectrum.

Significant program changes



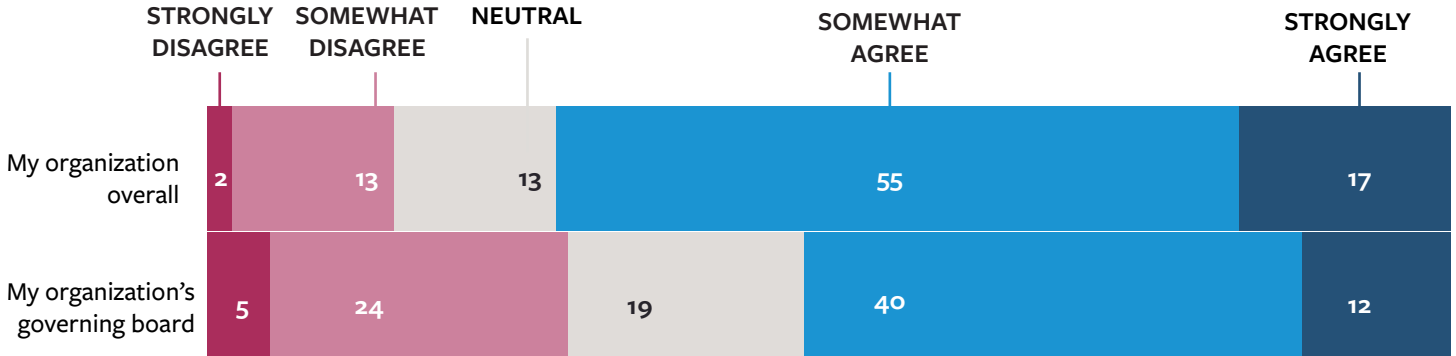
Organizations continue to make significant program changes, with **66%** of respondents organizations **developing** a plan for, **executing, or evaluating** recent significant change.

SUPPORTING SUCCESSFUL CHANGE

TABLE 18. Keeping up with external change

Please rate the following statement.

Keeping up with the rate of external operating environment change.



Similar to past years findings, **72% believe their organization overall is keeping up** with the rate of external change, and **52% believe that their organization's governing board is keeping up.**

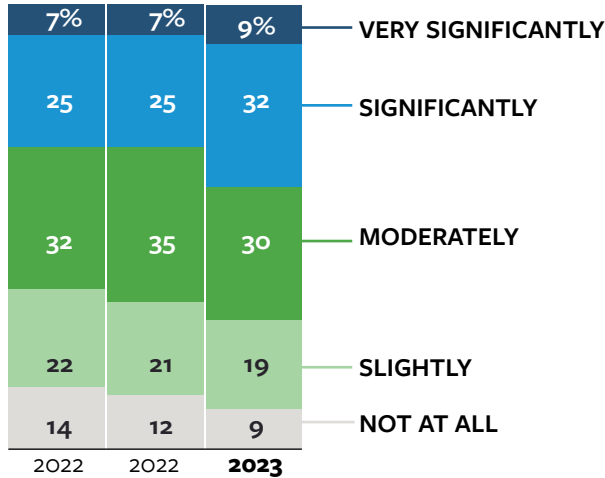
Photo by: Asif Altaf





TABLE 19. Leadership development investment

In the past year, has your organization...
Invested in leadership development.

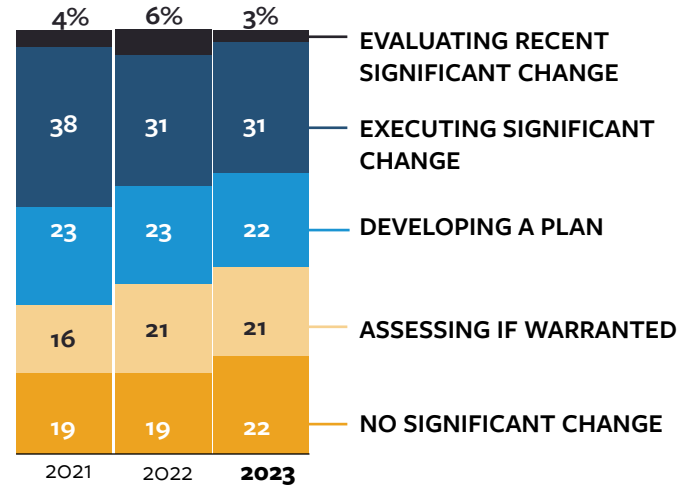


In the past year more organizations significantly invested in leadership development, growing from 32% to 41%.

TABLE 20. Cultivating agility

Please rate the following topics according to where your organization is on the change spectrum.

Significant operational change to cultivate agility

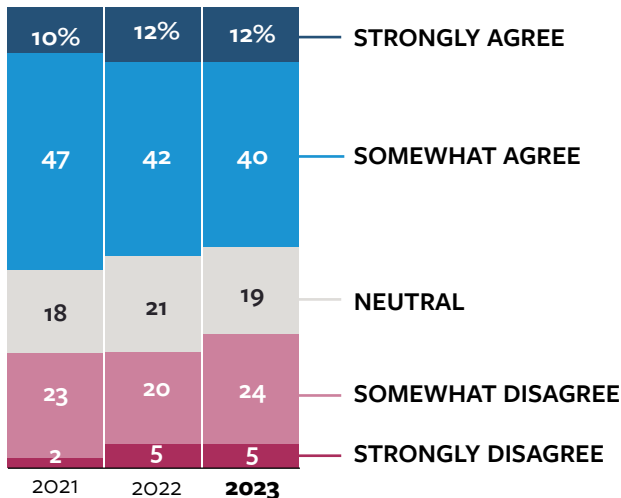


Organizations continue to **prioritize cultivating agility**, with 56% somewhere in developing a plan, executing significant change, or evaluating recent significant change.

TABLE 21. Governing board and keeping up with external change

Please rate the following statement.

My organization's governing board is currently keeping up with the rate of change in the external operating environment.

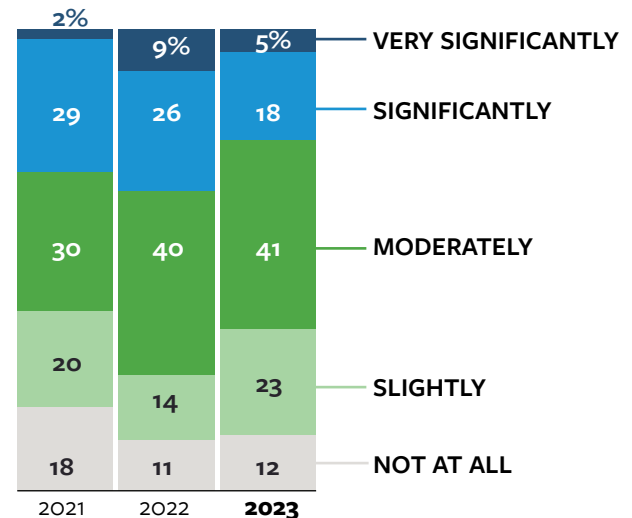


There is a **slight annual decrease in confidence** that governing boards are keeping up with the rate of change in the external operating environment.

TABLE 22. New lines of programming

In the past year, has your organization...

Expanded into new lines of programming.

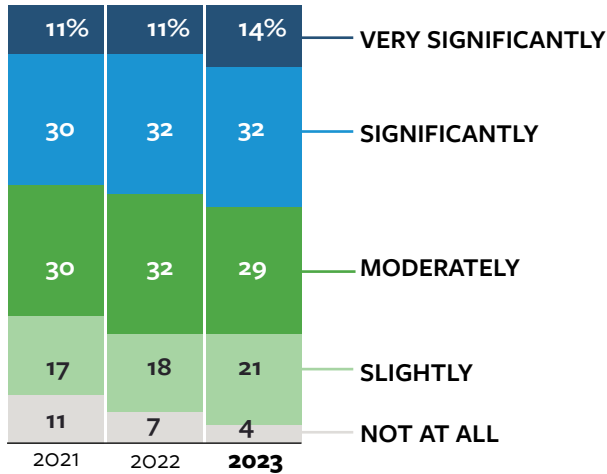


Organizations continue to expand into new lines of programming in the past year, with 23% significantly and 41% moderately so.

TABLE 23. Performance monitoring

In the past year, has your organization...

Utilized systems or dashboards to monitor program performance.

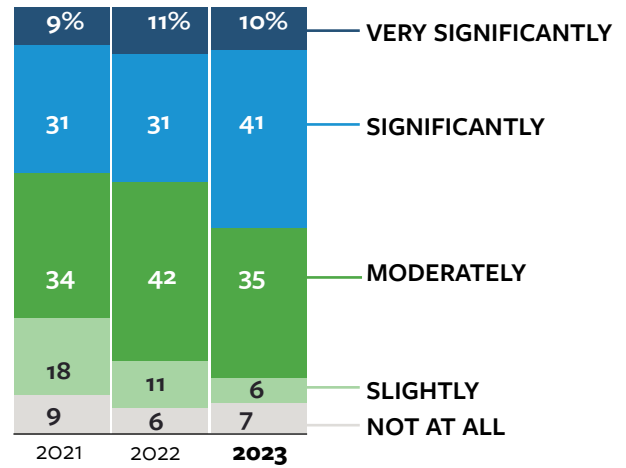


The proportion of organizations with significant use of systems or dashboards to monitor program performance remained fairly consistent, at 46%.

TABLE 24. Program participant feedback mechanisms

In the past year, has your organization...

Utilized program participant feedback mechanisms.

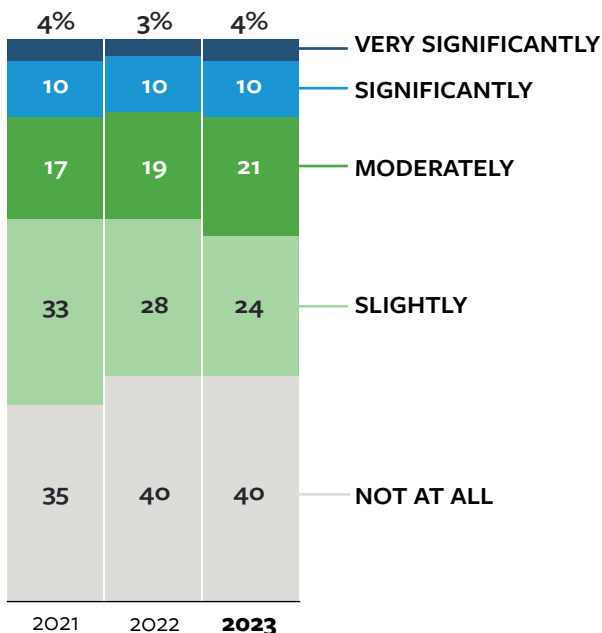


The use of program participant feedback mechanisms increased in the past year, growing from 42% to 52% of respondent organizations significantly using them.

TABLE 25. Function, office, program eliminations

In the past year, has your organization...

Eliminated functions, offices or programs.



Elimination of functions, offices, or programs in the past year has remained fairly consistent, with **35%** of responding organizations moderately or more doing so in the past year.

ADVANCING CHANGE

PRIORITIZED ENDURING TRENDS

Power shift / power sharing / localization across programming was selected as the #1 area for prioritized action, both by individual

organizations and by the collective community, when respondents ranked their top three enduring trends. Climate change and environmental degradation was the #2 area for prioritized action.

TABLE 26. Top three enduring trends for your organization to address

Please rank the **top three** enduring trends in order of priority by writing in 1, 2, 3.

For your organization to address...

	Frequency named		Weighted ranking points*	Ranking
	#1	TOP3		
Power shift / power sharing / localization across programming	17	60	117	1
Climate change and environmental degradation	14	60	108	2
Poverty increasingly concentrated in fragile states	22	37	88	3
Economic inequality increasing	12	37	76	4
Migration flow increasing	10	20	46	5
Decline of democracy and rise of authoritarianism	8	22	44	6
Diversity, equity, inclusion (DEI)	4	25	43	7
NGOs increasingly impacted by closing civic space and regulations	5	14	29	8
Trust declining in institutions*	4	12	25	9
Disinformation/misinformation proliferating	4	13	24	10

*Weighted ranking determined as follows: Three points for #1 choice, two points for 2nd choice, one point for 3rd choice.

† i.e. governments, charities, social media, media, corporations

For individual organization addressing, choices are more disparate. Poverty increasingly concentrated in fragile states was the most often selected #1 area to address, chosen by 22% of respondents. But overall it ranked third, with 37% of respondents putting the topic in their top three—versus 60% of respondents selecting power shift / power sharing / localization across programming and selecting climate change and environmental degradation as top-three enduring trends for their organization to address.

60% of respondents selecting power shift / power sharing / localization across programming and selecting climate change and environmental degradation as top-three enduring trends for their organization to address.

TABLE 27. Top three enduring trends for the collective InterAction community to address

Please rank the **top three** enduring trends in order of priority by writing in 1, 2, 3.

For the collective InterAction community to address...

	Frequency named		Weighted ranking points*	Ranking
	#1	TOP3		
Power shift / power sharing / localization across programming	29	64	139	1
Climate change and environmental degradation	16	57	113	2
Poverty increasingly concentrated in fragile states	11	34	66	3
Economic inequality increasing	13	27	59	4
Diversity, equity, inclusion (DEI)	4	28	48	6
Trust declining in institutions[†]	10	23	48	6
NGOs increasingly impacted by closing civic space and regulations	6	26	50	7
Decline of democracy and rise of authoritarianism	6	20	39	8
Migration flows increasing	4	13	26	9
Disinformation/misinformation proliferating	2	11	18	10

*Weighted ranking determined as follows: Three points for #1 choice, two points for 2nd choice, one point for 3rd choice.

[†]i.e. governments, charities, social media, media, corporations

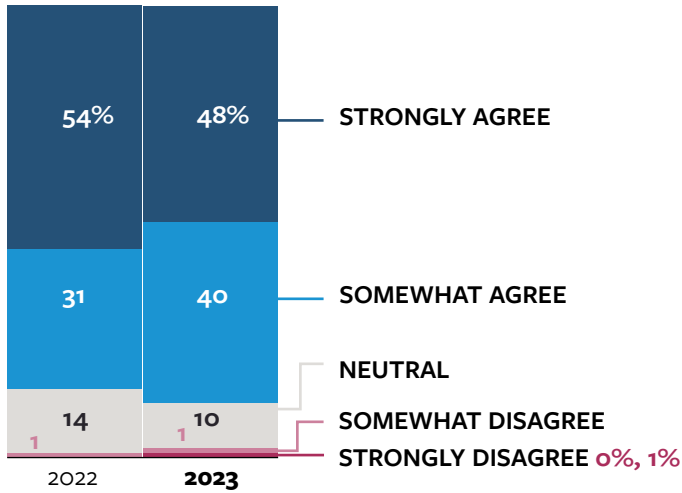
For collective InterAction community addressing, power shift / power sharing / localization across programming was most often selected as the #1 area and was most frequently selected in the top three. Similarly, climate change and environmental degradation was the second-most selected as the #1 area and was the second-most-frequently selected in the top three.

POWER SHIFT / POWER SHARING / LOCALIZATION ACROSS PROGRAMMING

TABLE 28. Organization prioritization of power shift / power sharing / localization across programming

Please rate the following statement.

Power shift / power sharing / localization across programming is a priority for my organization.

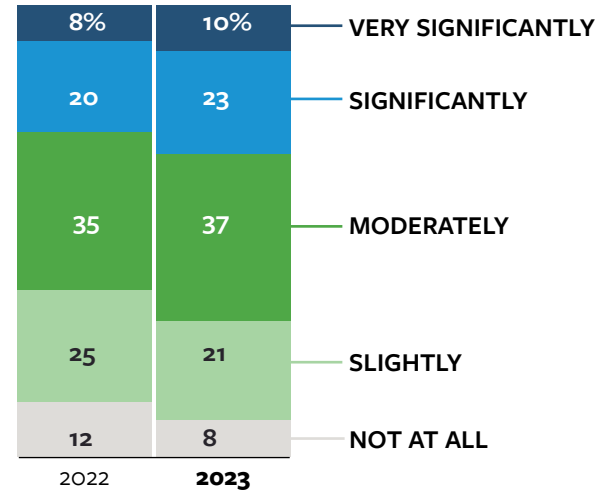


Forty-eight percent of respondents strongly agree that it is a priority, and an additional 40% somewhat agree.

TABLE 29. Increasing of power sharing and localization of programming

In the past year, has your organization...

Increased power sharing and localization of programming.

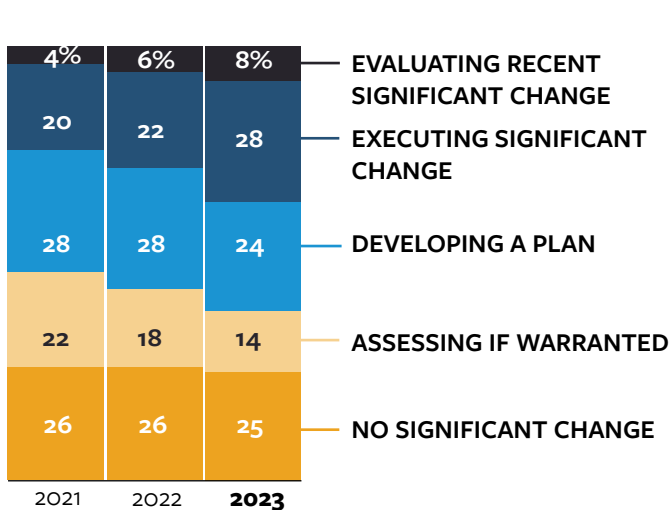


Seventy percent of respondents organizations increased power sharing and localization in the past year.

TABLE 30. Dispersing authority closer to program locations

Please rate the following topics according to where your organization is on the change spectrum.

Geographically dispersing authority closer to program locations

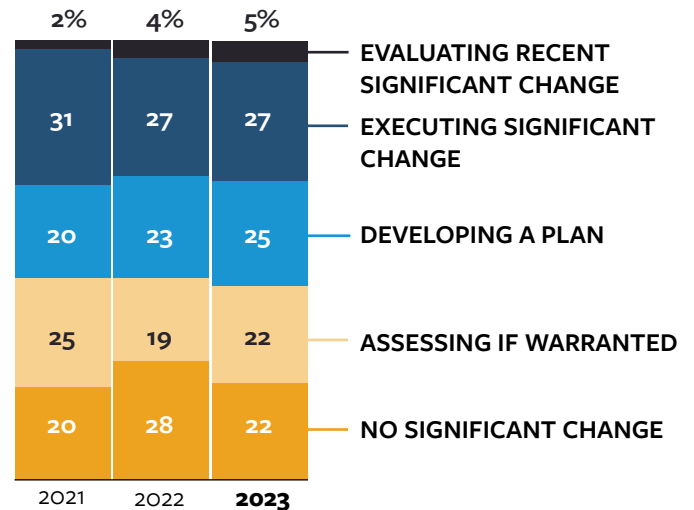


Sixty percent of organizations are advancing along the change spectrum to disperse authority closer to program locations.

TABLE 31. Working differently with local actors

Please rate the following topics according to where your organization is on the change spectrum.

Significant change in working differently with local actors



There is a slight advancement on the change spectrum regarding working differently with local actors.

TABLE 32. Role of those most closely connected to local concerns

Please rate the following statements.

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

Forty-six percent of respondents strongly agree and 41% somewhat agree that those most closely connected to local concerns play a leading role in programs—somewhat more than the year prior.

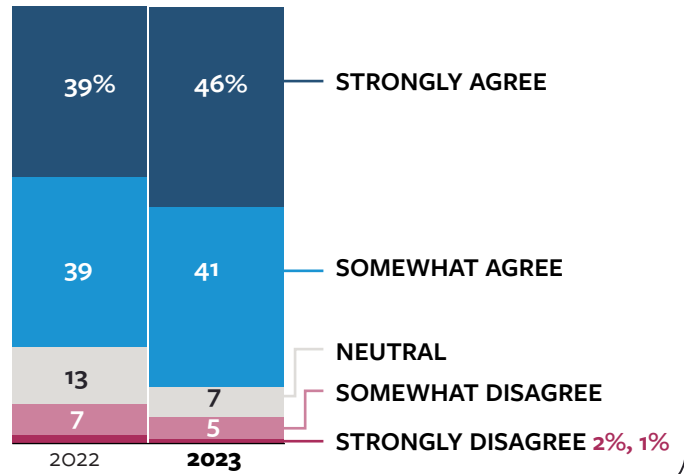
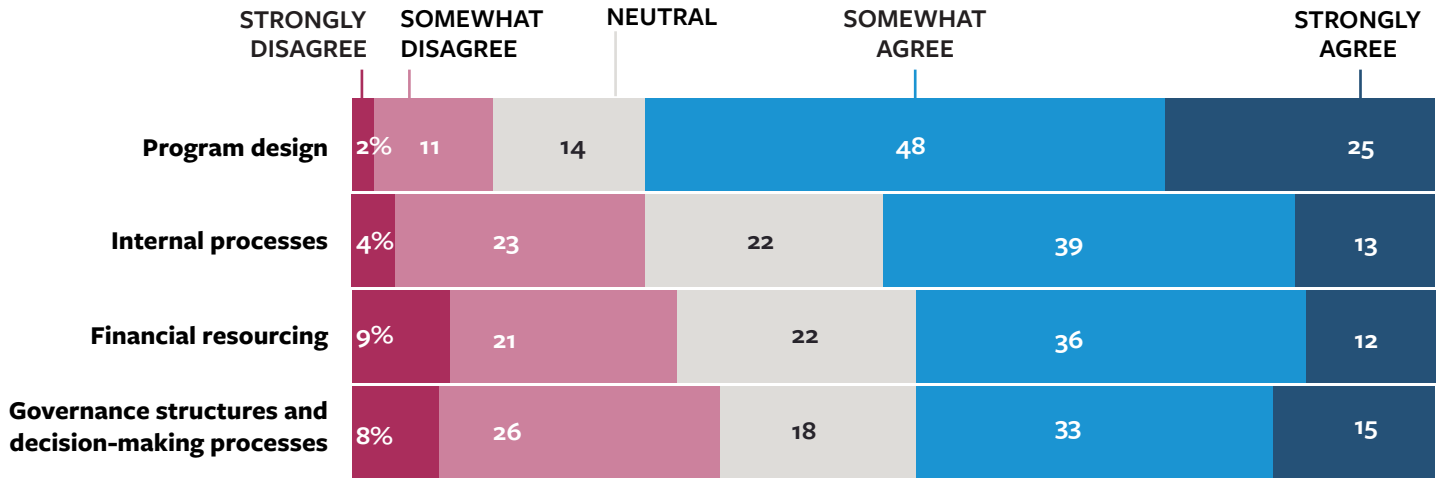


Photo by: Niraj Gera

TABLE 33. Enabling factors toward power shift / power sharing / localization across programming

Please rate the following statements.

To support our vision on power shift / power sharing / localization across programming, my organization is where it needs to be regarding changes in:

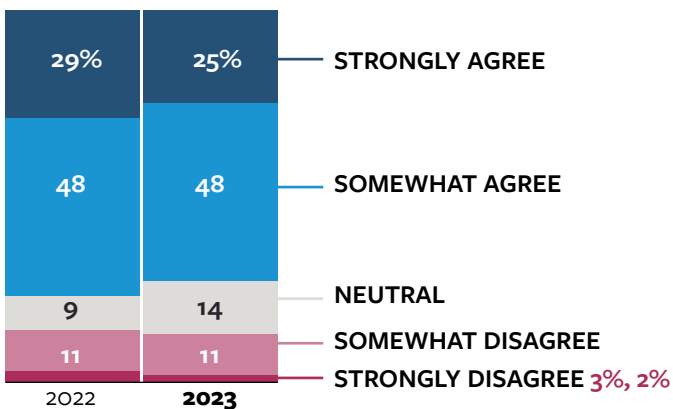


Organizations are most content that **they are where they need to be regarding program design** and see the most room to improve when it comes to governance structures and decision-making processes in support of power shift / power sharing / localization across programming.

TABLE 34. Program design change to support power shift / power sharing / localization across programming

Please rate the following statements.

To support our vision on power shift / power sharing / localization across programming, my organization is where it needs to be regarding changes in program design.

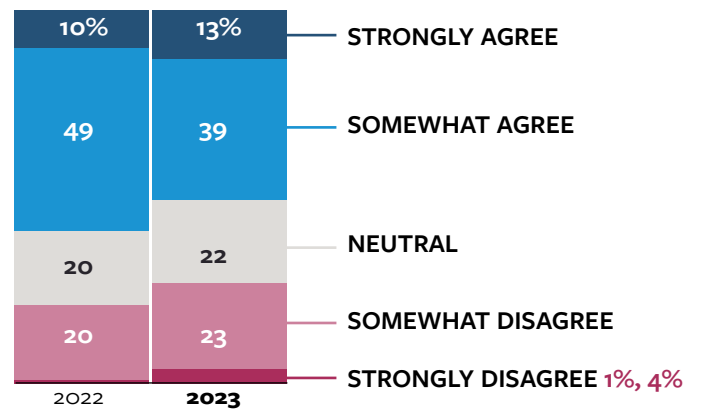


Confidence dipped slightly regarding program design.

TABLE 35. Internal processes change to support power shift / power sharing / localization across programming

Please rate the following statements.

To support our vision on power shift / power sharing / localization across programming, my organization is where it needs to be regarding changes in internal processes.



Confidence also dipped slightly regarding internal processes.

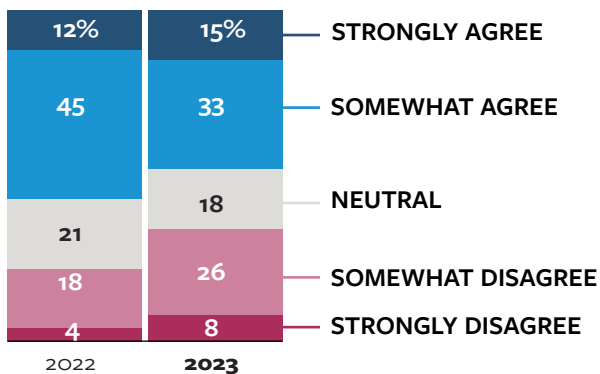


Photo by: Md Rafayat Haque Khan

TABLE 36. Governance structures and decision-making processes change to support power shift / power sharing / localization across programming

Please rate the following statements.

To support our vision on power shift / power sharing / localization across programming, my organization is where it needs to be regarding changes in governance structures and decision-making processes.

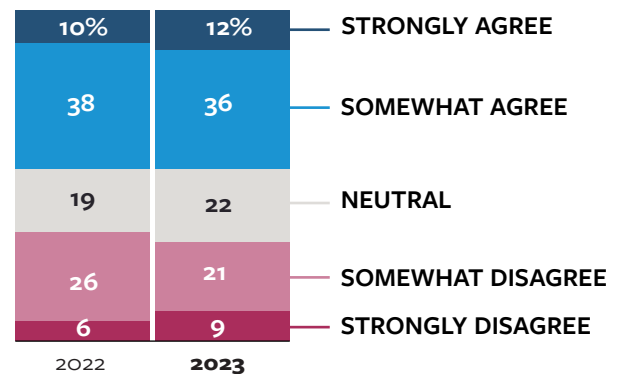


Confidence dropped from 57% agreeing in 2022 down to 48% agreeing in 2023 that they had the governance structures and decision-making processes in place to support power shift / power sharing / localization across programming.

TABLE 37. Financial resourcing change to support power shift / power sharing / localization across programming

Please rate the following statements.

To support our vision on power shift / power sharing / localization across programming, my organization is where it needs to be regarding changes in financial resourcing.



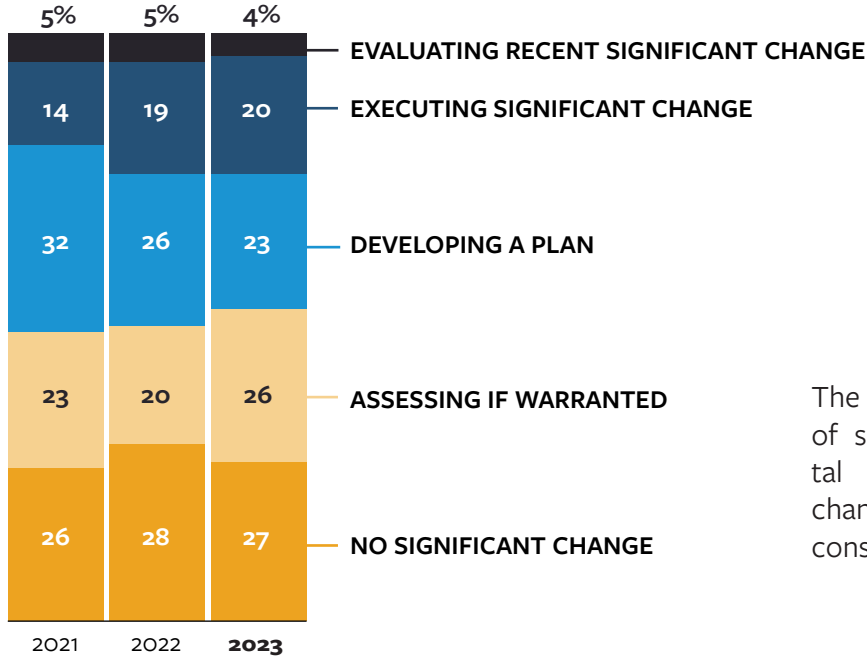
Confidence remained fairly consistent regarding organizations being where they needed to be regarding changes in financial resourcing.

CLIMATE CHANGE AND ENVIRONMENTAL DEGRADATION

TABLE 38. Significant change in environmental sustainability practices

Please rate the following topics according to where your organization is on the change spectrum.

Significant change in environmental sustainability practices



The proportion and phase of significant environmental sustainability practice change has remained fairly consistent.

Photo by: Sumon Yusuf

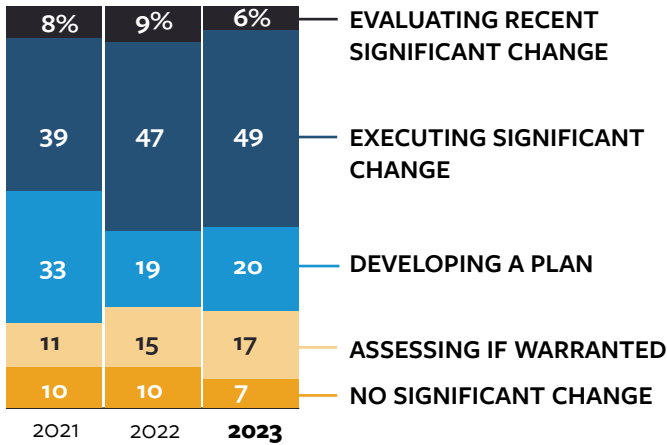


INCREASED DIVERSITY OR REPRESENTATION IN GOVERNANCE OR LEADERSHIP STRUCTURES

TABLE 39. Significant change to diversity, equity, and inclusion practices

Please rate the following topics according to where your organization is on the change spectrum.

Significant change in diversity, equity, and inclusion practices

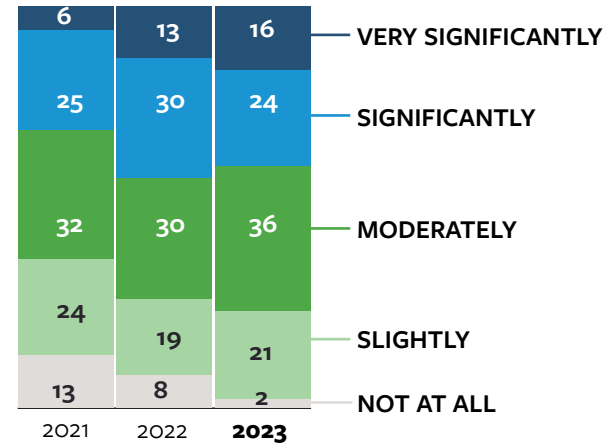


The proportion of organizations in each phase of change remained **similar from 2022 to 2023**.

TABLE 40. Increased diversity or representation in governance or leadership structures

In the past year, has your organization...

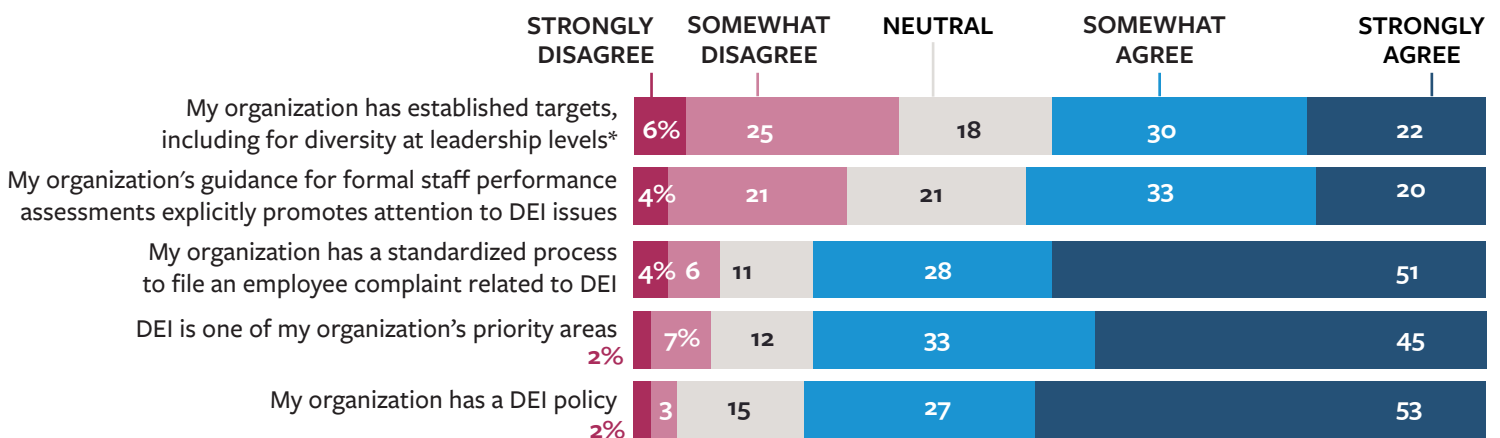
Increased diversity or representation in governance or leadership structures.



Forty percent shared that they significantly or very significantly **increased diversity or representation** in their governance or leadership structures in the past year.

TABLE 41. Diversity, equity, and inclusion (DEI) efforts

Please rate the following statement.



*With organizational data on diversity and staff perceptions of inclusion and belonging to accurately inform metrics and identify gaps.

Seventy-eight percent of respondents somewhat or strongly agree that DEI is one of their **organization's priorities**. Eighty percent have a DEI policy. And seventy-nine percent have a standardized process to file an employee complaint related to DEI.

Just over half of respondents organizations have established targets, including for **diversity at leadership levels**, with organizational data on diversity and staff perceptions of inclusion and belonging, to accurately inform metrics and

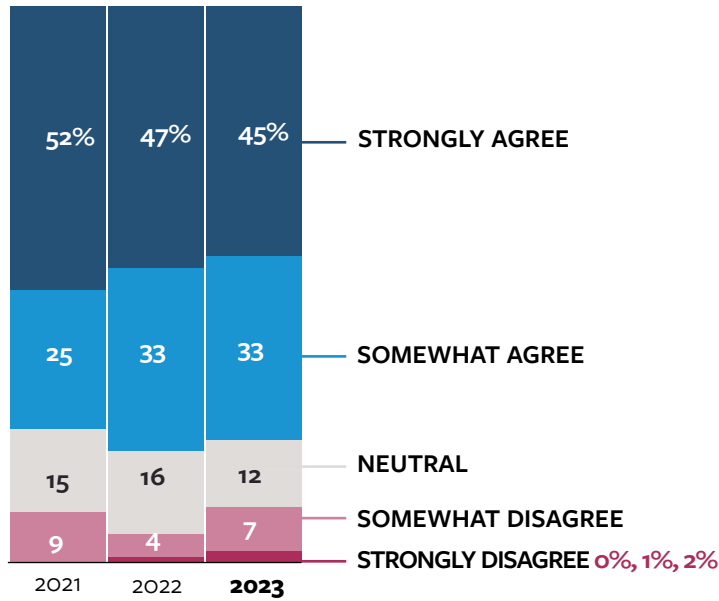
identify gaps.

Just over half of respondents organizations have **guidance for formal staff performance assessments** that explicitly promote attention to DEI issues.

TABLE 42. DEI is a priority area

Please rate the following statement.

DEI is one of my organization's priority areas.

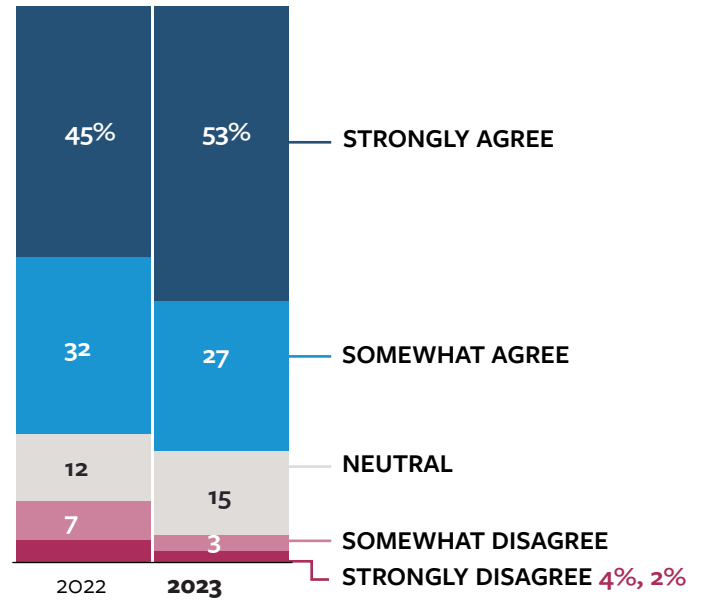


Prioritization of DEI has held **fairly consistent** from 2022 to 2023.

TABLE 43. DEI policy

Please rate the following statement.

My organization has a DEI policy.

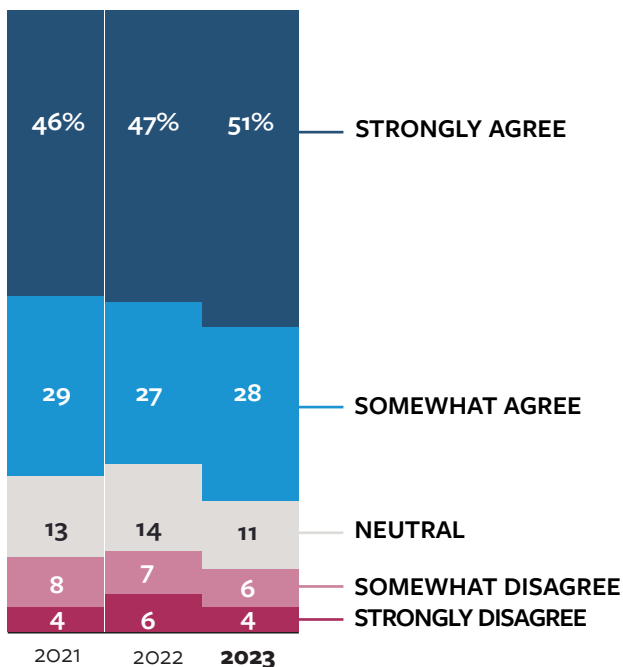


There's been a **slight increase** in the proportion of responding organizations that have a DEI policy.

TABLE 44. Standardized process to file an employee complaint related to DEI

Please rate the following statement.

My organization has a standardized process to file an employee complaint related to DEI



There's been a **slight increase** in the proportion of responding organizations that have a standardized process to file an employee complaint related to DEI.



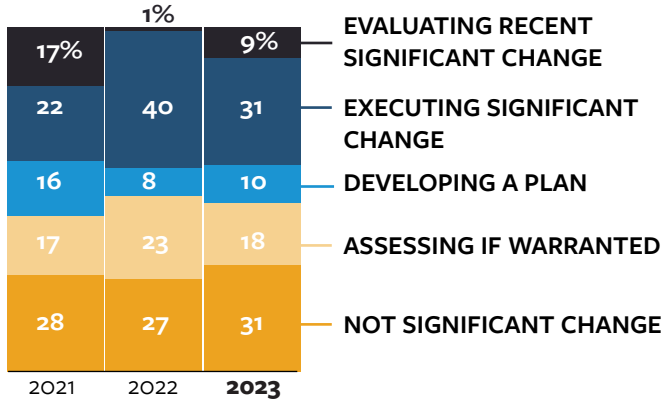
Photo by: Mohamed Mamdouh

PROTECTION AGAINST SEXUAL EXPLOITATION, ABUSE, AND HARASSMENT (PSEAH)

TABLE 45. Significant change in PSEAH

Please rate the following topics according to where your organization is on the change spectrum.

Significant change in protection against sexual exploitation, abuse and harassment.

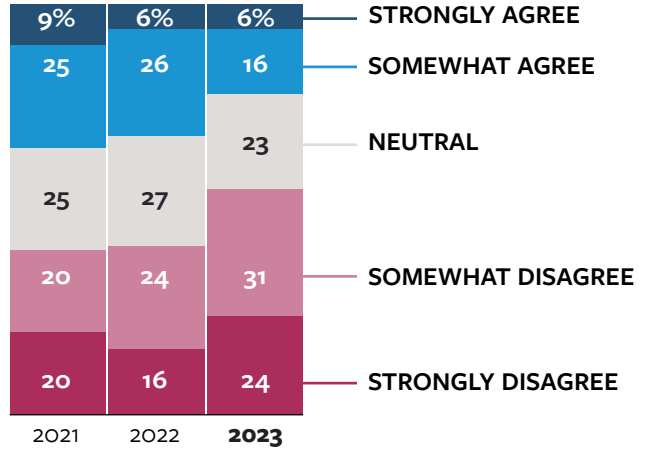


The proportion of respondents who advanced from executing to evaluating recent significant change has fluctuated in recent years, moving from 17% in 2021 to 1% in 2022 to 9% in 2023. Overall level of change has remained fairly consistent.

TABLE 46. Impact of past year challenges on prioritizing PSEAH

Please rate the following statement.

The challenges of the past year have made it difficult to prioritize PSEAH to the extent that is needed.

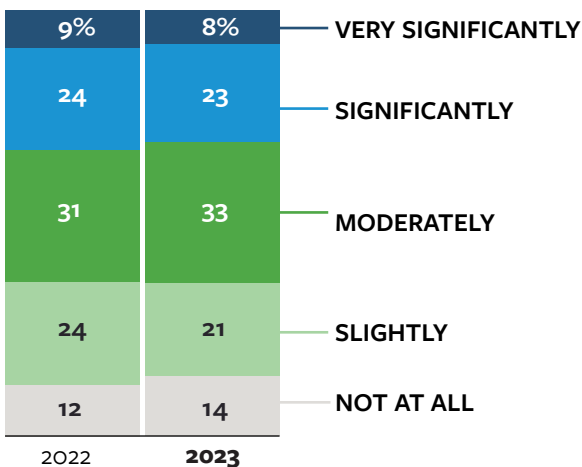


Fewer organizations believe that the challenges of the past year made it difficult to prioritize PSEAH to the extent that is needed, dropping from 32% in 2022 to 22% in 2023.

TABLE 47. Increased focus on PSEAH in the past year

In the past year, has your organization...

Increased focus on prevention of sexual exploitation, abuse and sexual harassment in the past year.

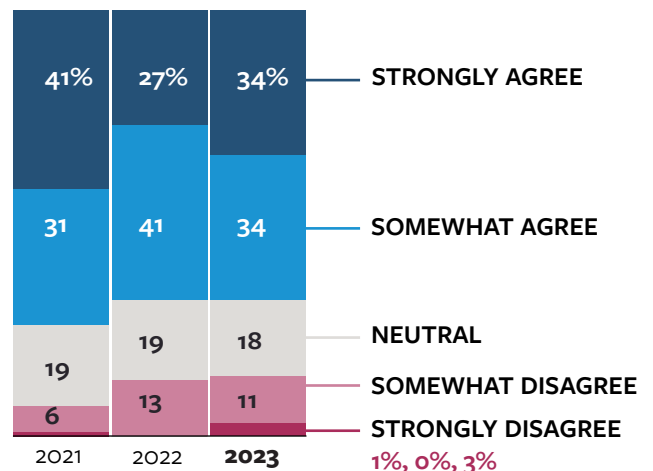


Increased focus on PSEAH remained fairly consistent, with 31% making a significant increase and an additional 33% making a moderate increase.

TABLE 48. Staff at all levels know that safeguarding is an organizational priority

Please rate the following statement.

My organization's leadership team does everything they can to let staff at all levels know that safeguarding is an organizational priority.*



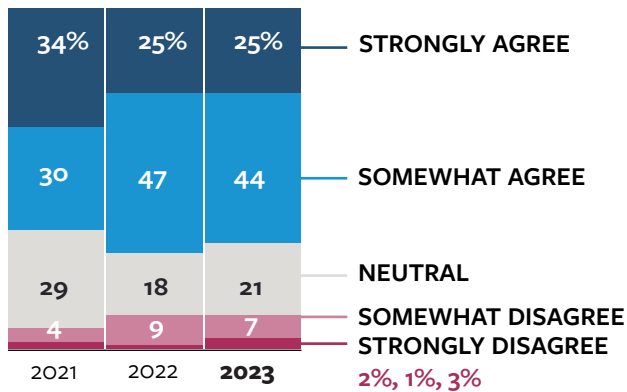
The proportion of respondents who **agree** held fairly consistent, at **68%**.

*Bringing it up at meetings, sending emails to staff about the importance of PSEAH, and meeting regularly with a safeguarding lead.

TABLE 49. Investment of necessary staff and resources

Please rate the following statement.

My organization invests in staff and resources necessary to fully operationalize our commitments to InterAction’s CEO pledge to prevent and respond to sexual exploitation, abuse and harassment.

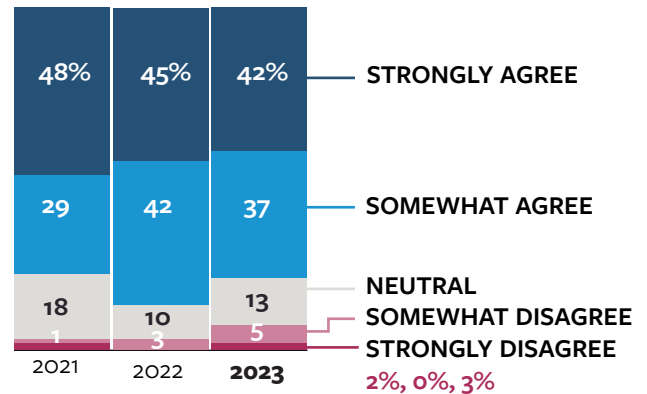


Sixty-nine percent of respondents agree that their organization invests the staff and resources necessary to fully operationalize their commitments to the InterAction CEO pledge to prevent and respond to sexual exploitation, abuse, and harassment.

TABLE 50. PSEAH collective ownership, driven from the top down

Please rate the following statement.

My organization has collective ownership, driven from the top down to prevent and respond to sexual exploitation, abuse, and harassment.

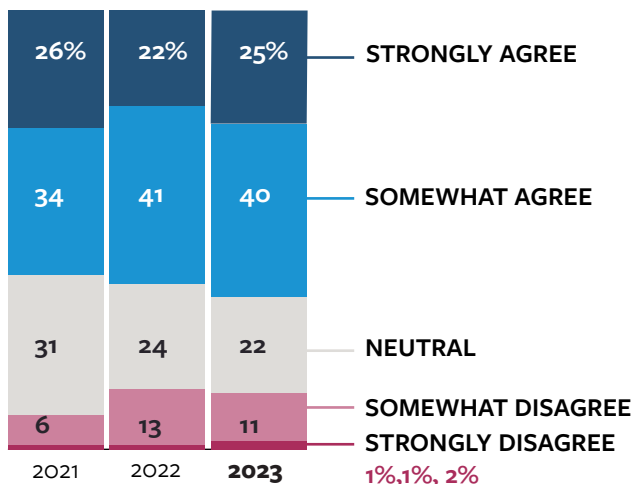


There was a slight decrease in the proportion of organizations who believe their organization has collective ownership, driven from the top down, to prevent and respond to sexual exploitation, abuse, and harassment, moving from 77% in 2021 up to 87% in 2022 and back down to 79% in 2023.

TABLE 51. Staff at all levels share equal ownership for PSEAH

Please rate the following statement.

Staff at all levels, including safeguarding advisor / lead if there’s one, share equal ownership for PSEAH.

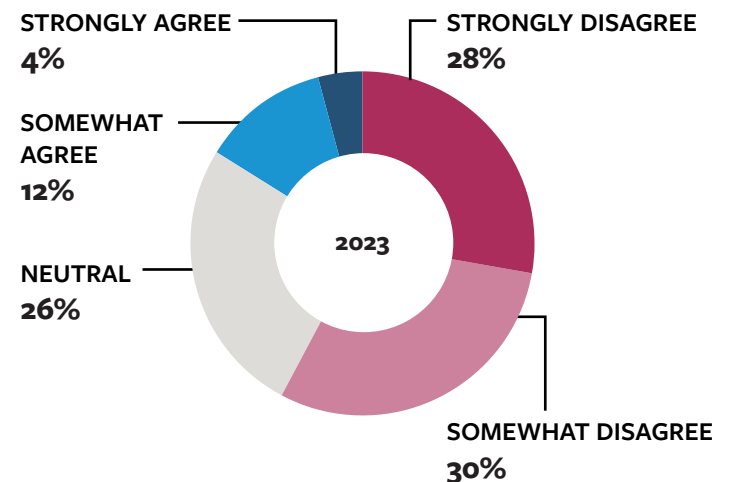


Agreement held fairly consistent that **staff at all levels share equal ownership for PSEAH**, with 65% agreeing.

TABLE 52. Struggling to meet InterAction CEO Pledge on PSEAH commitments

Please rate the following statement.

My organization is struggling to meet our commitments to the CEO pledge on PSEAH.



Sixteen percent of respondents agree that their organization is struggling to meet their commitments to the **InterAction CEO Pledge on PSEAH**.



Photos by: Mohammad Rakibul Hasan (top, back cover); Sajid Shaikh (bottom)





2023