Thriving Through Turbulence
NINE PREDICTIONS for the Global Development Sector in 2024

In our third annual Predictions Paper, LG Consulting has gathered insights from interviews with top executives in the international nongovernmental sector, observations gleaned from Lessons from Leaders podcast guests, and our nearly daily conversations with CEOs and other leaders. Through these shared perspectives, we have identified nine key predictions for 2024, that fall into three overall categories—

- **External Environment Creating More Needs … and Uncertainty**
- **Operating Models Remaining in Motion, and**
- **Organizations Striving to Meet this Moment.**

External Environment Creating **More Needs ...** and **Uncertainty**

1

A World on Edge Prepares for Unrelenting External Pressures

> " *"We're no longer in that perceived safe space."*
> - - - **Christine Squires, CEO Americares**

> " *"The four horsemen of the apocalypse (climate crisis, conquest, famine, and death) will unfortunately be major themes."*
> - - - **John Glover, ED, GDI, Purdue University**

Extreme change and tumultuous times have somehow settled into the status quo over the past several years, even implicitly implying we were safe there. And now, with an extraordinary number of global crises occurring simultaneously, our realities have catapulted into severe political instability and financial upheaval. Unfortunately, this unstable geopolitical situation is unlikely to improve within the next twelve months. In fact, continued conflict in Ukraine, the Israel-Hamas war, and ongoing conflicts from areas (near and far) is predicted, causing increasingly dire refugee situations, food insecurities, and economic disruption.

In 2024, these external geopolitical and economic pressures will be set against the backdrop of the US presidential election, undoubtedly ushering in ongoing global shifts and political polarization, regardless of which side prevails. The rise of nationalism and extremism only adds complexity to these already volatile situations. In these ways, the US election, along with the recent shifts in resource direction toward European countries, will contribute to the world's uncertainty, as well as future resource and funding instability in meeting pressing needs.

2

Weathering the Climate Chaos Storm with More Hopeful Horizons

The frequency and intensity of climate-induced disasters are harrowing, contributing to a global surge in catastrophic events. Disruptions in livelihoods and social environments continue to compound. The impact of excessive heat is particularly noteworthy for outdoor laborers in low- and middle-income countries. Millions of people are jeopardizing their health due to climate change, which both escalates food insecurity, the potential for conflict, and influences global migration patterns. Despite these challenges, however, a somewhat n optimistic outlook has emerged with some progress in addressing food systems in the global South. Efforts will continue to make these systems more nutritious, inclusive, and environmentally sustainable. And with significant attention and funding directed toward them over the next several years, a glimmer of hope has been created in an otherwise dark and tumultuous sky.

3

Fatigue Morphs into Drained and Depleted Donors and Leaders

With these crises, Donors are becoming maxed out, not only financially, but emotionally, which will likely result in challenges in meeting future needs. Donors will continue to grapple not only with their own frayed resilience, but also with increasing fatigue, particularly as crises like Ukraine and Gaza contribute to a real sense of exhaustion among supporters. The toll on civilians, along with concerns about international law violations and war crimes, all amid feelings of extreme helplessness only adds to the exhaustion … on all fronts. At the same time, leaders will continue to face challenges in securing resources while leading in times reminiscent of the level of complexity experienced during the COVID-19 pandemic. It's key, however, that despite the despair and extreme exhaustion, donors and leaders reach within and continue to adapt, inspire, and communicate clearly to their teams, boards, partners, and communities they serve.

Operating Models
Remaining in Motion

4 Rethinking Operating Models to Meet Ongoing Transformation

The growing global needs and crises must be met head-on by organizations. This will likely mean shifting operating models in proactive, innovative ways, including shifting the power, scaling up collaborations and partnerships … even with perceived competitors or "frenemies." In order to infuse sustainability into business models, NGOs will work together on partnerships that strive for mutual leverage rather than the power dynamics of the past. Throughout this collaboration, the emphasis must remain on effective alliance building, organizational resilience, and professional development to collectively address global issues, such as poverty and emerging crises. At the foundation of this transformation is a shift in mindset to embrace uncertainty, exploring and evaluating new roles, while at the same time, keeping a steadfast focus on the organization's mission. Operating models must begin to simplify their approach to align more closely with their specific mission and truly focus on the organization's core work. However, they must also be balanced with the ever-increasing need for innovation, whether adopting new operating models, adapting to AI, reevaluating office space needs, or discovering tools that facilitate collaboration beyond physical proximity.

5 AI Transitions from Novelty to Ethical Workflow Integration

AI is transforming the nature of work within organizations, promising positive impacts on program effectiveness. And the efficacy of it is increasingly relevant across various professional aspects, including grant writing, report writing, M&E, and communication tools. The evolving landscape suggests that AI will play a significant role in enhancing productivity and creating more impactful programs in the foreseeable future. But the duality of the technology—its advantages and drawbacks—will need to be more adequately addressed by leaders. Potential for significant misinformation and disinformation only grows with the adoption of AI technologies. Organizations must begin to establish ethical guidelines for AI use, considering its potential for enhancing productivity positively, as well as its negative implications, such as the rise of deep fakes and disinformation. And the time is now. Up through this year, this technology has been utterly captivating, like a shiny, new penny, but 2024 will see a more gradual integration into workflows, making it a more commonplace tool in various professional settings.

6 Locally Led Development Moves Beyond Theory & into Practice

The conversation around locally led development is at long last beginning to transition from theories to practicalities. Recently, notable progress has been made in localization, surpassing past intentions and achievements, with more decision-making and administration being conducted at the local or community level. Commitments made a decade or five years ago are finally being honored, emphasizing the sharing of funding, power, capabilities, and decision-making. With a collective push for championing local access to resources, organizations are being urged to invest in local partners to help ensure their success without reverting to traditional "top-down" approaches. This shift aligns seamlessly with localization principles. Cautious optimism also surrounds the healthy focus on more prominent roles by local and community organizations by leveraging increased local capabilities. The goal remains to transition the localization conversation into something more practical, pragmatic, and ultimately scalable in line with shared values of equity and inclusion.

Organizations Striving to
Meet this Moment

7 Crisis Leadership Means Finding Opportunities Through Global Uncertainty

While strong leadership is always necessary, it is perhaps never as important as in times of uncertainty. These are the times where teams can be plagued with doubt and hesitation and longing to be led through the darkness. Fortunately, darkness is where leaders find and reveal the light. It's where they innovate and get creative. Simply, it's where they find new opportunities to lead their teams. Through increased external partnerships and collaborations, leaders will have the opportunity to positively align with others and bridge the gap between their team's insights and the board's wisdom. Further, with continued expansion of the remarkable depth and capabilities of worldwide teams and an increased willingness to work anywhere globally, leaders will have the growing opportunity to lead a more diverse workforce across continents.

Building trust through transparency, engaging in clear communication, fostering open dialogue, and creating safe spaces for discussion and disagreement are vital aspects in this respect. As times become more difficult, the need for having a safe space for productive dialogue and disagreement becomes increasingly important. It's essential for leaders to shift discussions away from past debates and emphasize a shared mission as the driving force behind the NGO's energy, passion, and focus. Internal conflicts can still arise (and they surely will), but leaders will find that there is a constructive way to navigate disagreements with a focus on finding solutions, rather than a concern with who is right and who is wrong.
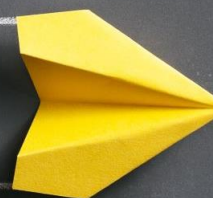
8

Boards Must Shift their Risk Threshold

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> *"CEOs have to bring their boards along. It's up to us."*
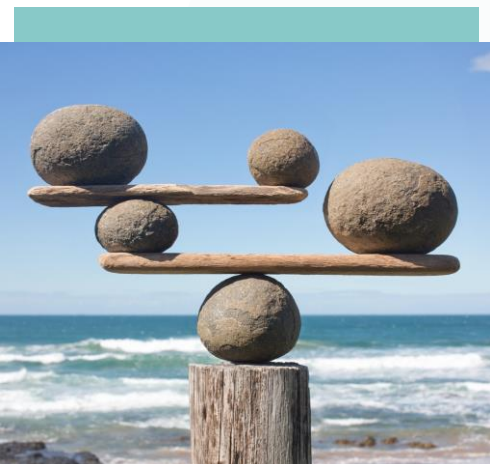> --- *Karl Hofmann, CEO, PSI*

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> *"The greatest contribution boards can give in 2024 is to enable executive management's greater flexibility in decision making and more risk taking."*
> --- *Aleks Dardeli, COO, Save the Children*

For the most part, boards are still currently operating in their traditional risk management mode as careful fiduciaries. Focusing on governance, audit, and risk-related support has historically been their appropriate space, and it has served NGOs well in the past. However, as resources become scarcer, especially amidst such significant global upheaval, a shift in mindset from 'tradition and risk mitigation' to 'innovation and risk taking' is needed to offer appropriate leadership support as the maintaining the traditional status quo caries increasing risk.

As the stewards of the organization's long-term impact, boards must embrace a more progressive and flexible approach, demonstrating that the courage to adapt to the changing times extends to new strategic and generative opportunities. The board's role will begin to extend beyond "masthead recognition" to areas where they can create meaningful connections for organizations. In this regard, board diversity and representation is imperative to truly understand the nuances of situations, the sensibilities of leadership, and the global reactions to challenges. But it's not just up to them. CEOs and other leaders will play a vital part in supporting boards thoughtful movement into this new reality, urging them to move beyond a traditional risk management mindset to help the organization meet the moment.

9 Organizational Culture's Increasing Role in Building Social Capital

> *"You can outperform others, or you can outperform the problem."*
> --- *Karl Hofmann, CEO, PSI*

Understanding how people connect and form community is more important than ever. At the NGO level, this community is undoubtedly found in organizational culture. Social capital built through personal connections is crucial for team cohesion. However, face-to-face interactions that contribute significantly to human trust and connection have been lost over the past several years—a disservice to everyone, and especially younger generations. In this way, remote work continues to pose challenges to building the shared connections and identity needed for a strong organizational culture. In the past, as a basis of social capital to spend down, we knew each other, we liked each other, we trusted each other. Then, we adapted to remote work and did what we had to in order to get through the pandemic. And while it worked to meet our immediate needs, that model is not indefinitely sustainable.

Understanding the interplay between identity and culture is vital—emphasizing the need for deeper engagement, reflection on organizational health, and fostering inclusion and belonging. The performance culture we need rests on the ability to remove obstacles by dealing with questions of inclusivity and belonging in a way that will eventually eliminate the problems all together. Simply, organizations must double down on defining their desired culture authentically, addressing concerns about employees feeling unseen, unheard, or undervalued—literally and figuratively.

Moving Forward…
One Step at a Time

Discovering where we are now and where we are likely heading in 2024 is not merely for informational purposes. Rather, it's about making well-informed decisions about our own next steps to alleviate the burdens and enhance the opportunities in front of us. Leaders, boards, and organizations cannot do this alone. In many ways, this means taking the time to cultivate our external relationships and communities now. Strengthening connections with other organizations and peers helps us lead through challenging times, not only lessening the inevitable feelings of isolation, but also leading to collaboration—where much-needed solutions are frequently found. These ties serve as a reminder that at times, we need to step back to step forward. Tumultuous times could do without rash and impulsive reactions. Instead, these times require pause to better reflect, reprioritize, and reassess the impact of our decisions and then lean back in with a well-thought-out plan. Sharing issues, ideas, and solutions with peers can create this thoughtful space.

Through it all, it's imperative for leaders not to get swept up by tides of negativity that threatens to overtake our organizations. As leaders, we must resist pessimism by re-embracing our unique purpose and values. INGOs represent diverse and unique capabilities, expertise, resources, and stakeholder relationships. No other organizations can adapt, respond, and act as we do in meeting the challenges ahead. While we must remain introspective and not ignore the fact that we have many problems to solve, our purpose and values should always continue to inspire and guide us. This narrative of what makes us inherently good anchors us, even in the midst of change and uncertainty, and even as the work we do continues to evolve to ensure our future trust, relevance, and impact.

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