



# A new era for NGOs and multilateral organisations: Rethinking and rebuilding trust, legitimacy, and impact



A STRATEGIC FRAMEWORK FOR INSTITUTIONAL  
TRANSFORMATION IN A CHANGING GLOBAL LANDSCAPE

## Executive summary

*The international development and humanitarian ecosystem face an unprecedented convergence of challenges that threaten traditional operating models across all actors – NGOs, multilateral organisations and involved private sector companies.*

Geopolitical fragmentation, economic headwinds, and heightened scrutiny of organisational effectiveness have created a “perfect storm” that demands fundamental transformation rather than incremental change.

Our analysis reveals that NGOs and multilateral organisations must undergo comprehensive reform across three critical dimensions:



**PEOPLE**  
Leadership  
and capacity



**PROCESSES**  
Measurement  
and evaluation



**POLICIES**  
Strategic focus  
and governance

Organisations that fail to adapt risk irrelevance, while those that embrace radical transparency, outcome-focused measurement, and stakeholder-centric approaches will emerge stronger and more sustainable.

The path forward requires abandoning “business as usual” in favour of evidence-driven impact demonstration, structural reform, and renewed legitimacy-building strategies. This transformation, while challenging, presents an opportunity for these organisations to rebuild trust and secure their vital role in addressing global challenges.



## The perfect storm:

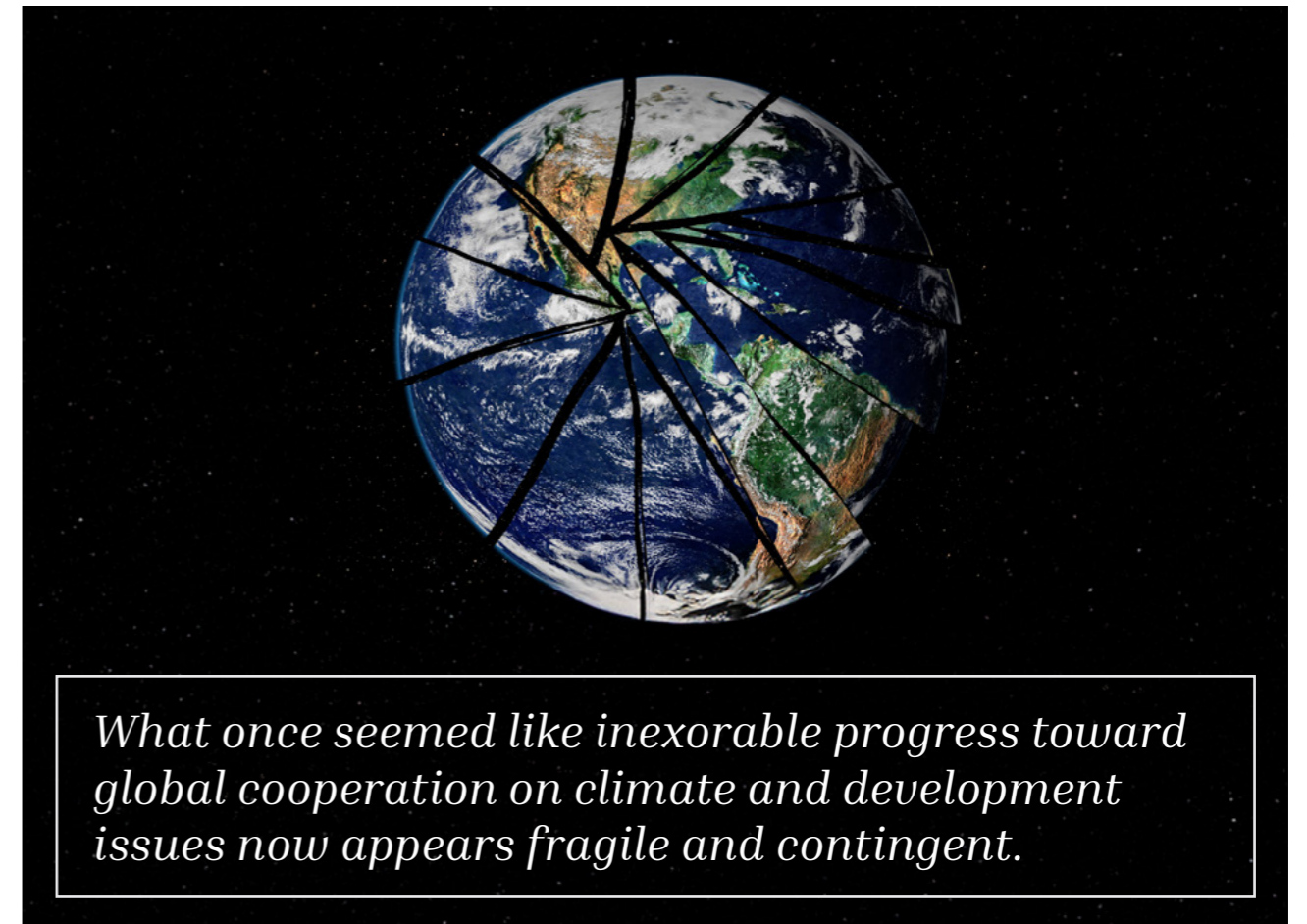
### Converging forces are reshaping the sector – Geopolitical fragmentation undermines multilateral consensus

The international system that gave rise to modern multilateralism is fracturing. US strategic retrenchment, coupled with protectionist trade policies, has weakened American leadership in global governance. Simultaneously, Russia’s war in Ukraine and its deepening alignment with China and India are accelerating the transition toward a multipolar world order.

Europe finds itself strategically positioned between competing power blocs, struggling to maintain influence while managing internal cohesion challenges.

This geopolitical realignment has profound implications for value-led multilateralism, as consensus-building becomes increasingly difficult when major powers operate from fundamentally different worldviews.

The immediate consequence is a stalling of the Environmental, Social, and Governance (ESG) and Sustainable Development Goals (SDG) momentum that defined the previous decade. What once seemed like inexorable progress toward global cooperation on climate and development issues now appears fragile and contingent.



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## ECONOMIC HEADWINDS SHIFT POLITICAL PRIORITIES

Economic pressures are compounding geopolitical tensions. Rising trade barriers, including comprehensive US tariff regimes, are fragmenting global supply chains and reducing economic efficiency. Defence spending is increasing across major economies, diverting resources from development cooperation and climate action.

Demographic transitions in Europe and China – characterised by rapidly aging populations and declining birth rates – are creating structural economic headwinds. These societies face mounting pressure to allocate limited resources toward domestic challenges rather than international development initiatives.

The political implications are stark: sustainability goals are being subordinated to stability and resilience concerns. Citizens in donor countries are increasingly reluctant to bear immediate costs for climate action and humanitarian projects, particularly when domestic economic conditions remain challenging.

## INSTITUTIONAL CREDIBILITY UNDER FIRE

Recent scandals involving prominent NGOs have damaged sector-wide reputation. Cases of proven – sometimes only alleged – financial mismanagement, sexual exploitation, and governance failures have created a crisis of confidence among donors and beneficiaries alike. The perception of inadequate accountability mechanisms has become widespread.

Multilateral institutions face parallel challenges. UN bodies are increasingly viewed as politicised rather than neutral, while concerns about institutional bloat and inefficiency undermine their credibility. The gap between organisational rhetoric and measurable impact has become a focal point for critics.



## THE OPERATIONAL REALITY: CONSTRAINED RESOURCES AND HEIGHTENED EXPECTATIONS

These converging forces have created a challenging operational environment characterised by:



### Funding constraints:

Donor bases are shrinking as governments face domestic pressures and private philanthropists become more selective. Remaining funders are providing smaller allocations while demanding greater accountability.



### Increased competition:

Organisations are competing more intensively for attention and resources, often leading to duplicated efforts and inefficient resource allocation.



### Performance pressure:

Stakeholders demand concrete evidence of relevance and measurable outcomes rather than accepting activity-based reporting and aspirational commitments.



### Organisational stress:

Many NGOs and IGOs are implementing restructuring programs, reducing staff, and scaling back operations. This creates secondary effects including reduced staff motivation, fewer affected people served, and diminished project effectiveness.



# The Transformation imperative:

## People, processes, and policies

Three fundamental drivers determine organisational success in this new environment – irrespective of whether the organisation is an NGO, multilateral institution, or corporate entity engaged in development cooperation. Given the scale of transformation required to address these converging challenges, tackling individual components in isolation is insufficient; organisations must embrace a holistic approach to radical change that simultaneously transforms leadership capabilities, operational processes, and strategic policies.



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## People: Redefining leadership and building capabilities

### FROM CHARISMATIC AUTHORITY TO ACCOUNTABLE IMPACT

Traditional NGO leadership models, often built around charismatic founders or diplomatic figures, are becoming inadequate. Tomorrow's leaders must combine empathetic engagement capabilities with rigorous analytical skills and accountability orientation.

The transformation requires moving from a "we know the solutions" mindset to a collaborative "co-pilot" approach. Leaders must demonstrate humility while maintaining the vision and determination necessary to address complex global challenges. This balance demands new competencies: data literacy, stakeholder management, and adaptive leadership skills.

### SYSTEMATIC CAPACITY DEVELOPMENT

Organisations must invest systematically in staff development across key competency areas:



#### Monitoring and evaluation excellence:

Staff require advanced training in impact measurement methodologies, statistical analysis, and evidence-based program design. This includes familiarity with Theory of Change frameworks, Logical Framework Analysis, and Social Return on Investment (SROI) calculations.



#### Data literacy:

The ability to collect, analyse, and present data compellingly is becoming essential across organisational levels. Staff must understand how to use digital tools for data collection and analysis while maintaining methodological rigor.



#### Stakeholder engagement:

Enhanced skills in donor relationship management, beneficiary consultation, and partnership development are critical for sustainable operations.



#### External expertise integration:

Organisations should develop capabilities to identify, engage, and manage external experts who can provide credible impact assessment and validation services.

### FLEXIBLE PARTNERSHIP MODELS

The traditional model of permanent, hierarchical partnerships is giving way to more flexible, needs-responsive approaches. Organisations are experimenting with consortium

arrangements, temporary alliances, and outcome-based partnerships that can adapt quickly to changing circumstances and donor requirements.

## Processes: Revolutionising measurement and accountability

### TAILORED IMPACT FRAMEWORKS

While established frameworks like Theory of Change and Logical Framework Analysis remain valuable, organisations must adapt them to specific contexts and stakeholder needs. The private sector's Return on Investment (ROI) approach offers insights for organisations seeking to demonstrate value creation, particularly when engaging corporate partners.

Successful organisations are developing hybrid frameworks that combine social impact measurement with financial efficiency metrics. This approach enables communication with diverse stakeholder groups using familiar concepts while maintaining focus on social outcomes.



### DIGITAL TRANSFORMATION FOR EVIDENCE GENERATION

Technology offers unprecedented opportunities for real-time impact monitoring. Mobile survey platforms enable rapid data collection from people, partners, media and public discourses, while artificial intelligence can analyse large datasets to identify patterns and predict outcomes.

Organisations are implementing integrated digital systems that track inputs, activities, outputs, and outcomes in real-time. These systems generate dashboards that provide stakeholders with immediate access to performance data while reducing administrative burden on field staff.



### INDEPENDENT VALIDATION AND CREDIBILITY

Third-party evaluation is becoming essential for maintaining credibility. Organisations are engaging independent evaluators not only for major program reviews but also for ongoing monitoring activities. This approach builds stakeholder confidence while identifying improvement opportunities.

The most sophisticated organisations are implementing continuous evaluation approaches where independent reviewers provide regular feedback rather than conducting infrequent, comprehensive assessments.



### SYSTEMATIC FEEDBACK INTEGRATION

Effective organisations are creating systematic mechanisms for integrating stakeholder feedback into program design and implementation. This includes regular people consultations, donor feedback sessions, and partner organisation input processes.

These feedback loops enable adaptive program management while demonstrating responsiveness to stakeholder concerns. The approach requires cultural change within organisations that have traditionally operated with limited external input.



## Policies: Strategic focus and governance excellence



### STRATEGIC CONCENTRATION AND IMPACT MAXIMISATION

The era of broad, diffuse program portfolios is ending. Successful organisations are concentrating resources on fewer intervention areas where they can demonstrate clear competitive advantages and measurable impact.

This strategic focus enables deeper expertise development, more efficient resource utilisation, and clearer impact attribution. Organisations are conducting rigorous portfolio reviews to identify high-impact areas while divesting from activities that cannot demonstrate clear value creation.

### PRIVATE SECTOR COLLABORATION

Forward-thinking NGOs are developing sophisticated approaches to private sector engagement that go beyond traditional corporate social responsibility partnerships. These collaborations involve shared risk, mutual accountability, and integrated implementation approaches.

Successful partnerships require alignment between organisational missions and corporate strategic objectives. The most effective arrangements involve co-investment in program design, shared performance metrics, and joint governance structures.



### DONOR-CENTRIC ALIGNMENT

Organisations are developing nuanced approaches to donor relationship management that balance institutional integrity with stakeholder responsiveness. This involves mapping donor priorities, developing tailored communication strategies, and aligning program design with donor strategic objectives were mission-consistent.

The approach requires sophisticated donor relationship management systems that track individual donor preferences, reporting requirements, and decision-making processes.

### CRISIS READINESS AND RESILIENCE

The increasing frequency of global crises – from pandemics to conflicts to climate disasters – requires systematic preparedness. Organisations are developing crisis response protocols, maintaining flexible resource reserves, and creating rapid deployment capabilities.

Effective crisis readiness involves pre-negotiated donor agreements for emergency response, staff training for rapid deployment, and communication protocols for crisis situations.



### ZERO-TOLERANCE GOVERNANCE

Governance failures have created sector-wide credibility challenges that require comprehensive response. Leading organisations are implementing zero-tolerance policies for corruption, misconduct, and mismanagement while creating systems to detect and address violations quickly.

This approach requires investment in internal audit capabilities, whistleblower protection systems, and transparent disciplinary processes. Organisations must document policy implementation and compliance to demonstrate commitment to governance excellence.

# The new operating model:

## Principles for success

### RADICAL TRANSPARENCY AS COMPETITIVE ADVANTAGE

Organisations that embrace radical transparency – providing detailed, real-time information about resource allocation, program outcomes, and organisational performance – are building sustainable competitive advantages. Stakeholders increasingly expect immediate access to performance data rather than waiting for annual reports.

Transparency initiatives include real-time financial dashboards, people feedback systems, and regular stakeholder communication. The most advanced organisations provide stakeholders with direct access to program data through digital platforms.



### IMPACT-FOCUSED COMMUNICATION

The shift from activity-based to outcome-focused reporting represents a fundamental communication transformation. Rather than emphasising inputs (“we trained 500 teachers”), organisations must demonstrate results (“student literacy rates improved by 25%”).

This approach requires investment in impact measurement capabilities while developing storytelling skills that make complex data accessible to diverse audiences. Successful organisations combine quantitative evidence with compelling narratives that illustrate human impact.

### STAKEHOLDER-CENTRIC RELATIONSHIP MANAGEMENT

Traditional donor relationship models, characterised by periodic formal interactions, are being replaced by continuous engagement approaches. Organisations maintain regular communication with stakeholders throughout project lifecycles rather than limiting interaction to funding cycles.

This approach requires tailored communication strategies for different stakeholder categories. Government donors require policy-focused reporting, corporate partners need business-relevant metrics, and individual philanthropists expect human-centred impact stories, with adequate personal profiling opportunities – If desirable.

### PARTNERSHIP-BASED PROGRAMME DESIGN

The most successful organisations are abandoning top-down program design in favour of collaborative approaches that engage crisis-affected populations, local partners, and donors in program development. This approach enhances program relevance while building stakeholder investment in success.

Partnership-based design requires sophisticated consultation capabilities and cultural change within organisations accustomed to independent decision-making. The investment generates improved program effectiveness and enhanced stakeholder satisfaction.

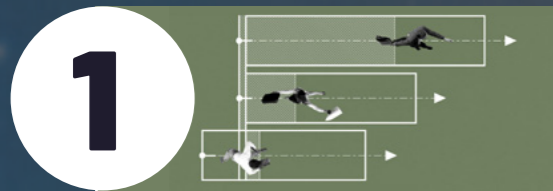
### BENEFIT-FOCUSED PROJECT MARKETING

In the increasingly competitive donor landscape, programmes and projects need to be packaged, formulated and visualised in ways that allow diverse donor organisations to quickly grasp their essence. Benefits, measurable impacts, and concrete improvements should be presented much like the private sector promotes its products to customers – through target audience-focused marketing campaigns.

A “one-size-fits-all” approach to donor engagement simply doesn’t work. Tailoring project descriptions to donor needs and formulating grant applications should always follow an old and often cited principle: *the bait must suit the fish, and not the fisherman.*



# Initiating and actioning change



1

## Baseline establishment

Organisations should begin with comprehensive capability assessments to identify strengths and gaps in leadership, staff competencies, measurement systems, and governance structures. This first step also includes forming implementation teams, securing board approval for transformation initiatives, and defining baseline performance metrics.



2

## Enabling environment

Priority actions include leadership training programs, staff capacity assessments, and governance policy reviews. Organisations should also conduct stakeholder mapping to better understand donor expectations as well as partner and affected people needs.



3

## Process development

Introduce new measurement systems, communication protocols, and partnership frameworks. Organisations should implement digital platforms for data collection and reporting, while training staff in new methodologies. This requires investments in technology infrastructure and external expertise. New approaches should be piloted in limited contexts before scaling. metabolic health, and AI-driven healthcare.



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## Organisational integration

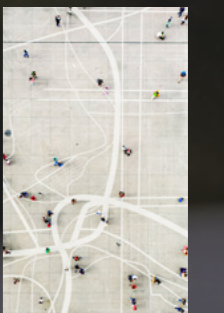
Roll out new systems and approaches across organisational operations. This stage involves full deployment of measurement systems, consistent stakeholder engagement protocols, and optimisation of programme portfolios.



5

## Performance optimisation

Track success through stakeholder satisfaction, funding sustainability, and measurable impact outcomes. Organisations should conduct comprehensive reviews to identify opportunities for further optimisation.



6

## Holistic engagement

An effective engagement strategy requires a well-orchestrated, multi-channel approach with stakeholder-specific, consistent messaging, fully integrated into revised processes and systems.

## Conclusion:

### Embracing Transformation for Sustainable Impact

The challenges facing NGOs and multilateral organisations are unprecedented in their scope and complexity. However, these challenges also present an opportunity for fundamental transformation that can strengthen the sector's capacity to address global challenges effectively.

Organisations that embrace evidence-driven decision-making, stakeholder-centric approaches, and radical transparency will build sustainable competitive advantages. Those that continue with traditional approaches risk irrelevance in an increasingly demanding environment.

The transformation requires significant investment in capabilities, systems, and governance structures. However, the alternative—continued erosion of legitimacy and resources—presents far greater risks to organisational sustainability and global impact.

Success demands commitment from board and leadership levels, systematic implementation approaches, and patience with the cultural changes required. Organisations that make these investments will emerge as leaders in a transformed sector better equipped to address the world's most pressing challenges.

*The time for incremental change has passed. The sector must embrace comprehensive transformation or risk failing the populations it exists to serve. The choice is clear: adapt radically or become increasingly irrelevant. For organisations willing to embrace this challenge, the potential for renewed impact and influence has never been greater.*

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*Leidar is a global communication consultancy that helps clients set their course, navigate and communicate effectively.*

***This is Leadership Navigation.***

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We hope you have found this report useful.

If you would like further detail about the findings, or more information about navigating, rethinking and rebuilding trust, legitimacy, and impact, please contact:



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## About Leidar

Headquartered in Geneva with offices in London, Brussels, Oslo, Dubai, Singapore, Washington, DC and New York, we mainly work with businesses and organisations that operate on a global scale. We understand how to develop and deliver their messages to a wide internal and external stakeholder audience and how to leverage business opportunities in a rapidly changing political landscapes.

Our clients include companies, both publicly listed and private, industry groups as well as international organisations and NGOs, across all sectors.