

SPECIAL REPORT

THE YEAR IS 2023



“Our predictions are increasingly focused on the ways we can be prepared for anything.”

Letter from the Editor

Three years ago, the world was about to change such that the word “unprecedented” would lose all meaning. We published our usual predictions: impact investing would continue to go mainstream; companies would start taking their ESG commitments from talk to action; diversity and inclusion would move beyond gender. Some of these things happened, if not in 2020, then in the years that followed. But of course, we didn’t predict a global pandemic.

Similarly, last year we opined on returning to the office, ways to tackle unemployment, the future of the mining industry, and patient-centric approaches to healthcare in the U.S. – never guessing that Russia was going to invade Ukraine. The ripple effects of that war continue to be felt at a global scale.

I don’t say this to cast doubt on the Special Report you’re about to read; only to highlight that when the future is so uncertain, it takes a special type of resilience, agility, and courage to face it. What will be 2023’s Big Awful Thing? The prevailing trends at the moment seem to be rising interest rates, slowing economies, and increasing inflation – each with their own interrelated impacts; their own ripple effects.

Against all odds, our Palladium experts are still willing to put their names to predictions each year, but those predictions are increasingly focused on the ways we can be prepared for anything; the hope they hold and the work they’re doing to build a more equal, sustainable, resilient world, come what may.

If you find something in these pages that resonates with you, I welcome you to get in touch.

Welcome to 2023,

Elizabeth Godo 

Palladium Director of Communications
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From Energy to Brazil, 2023 Promises Some Hope

BY

Jose Maria Ortiz 

Palladium Managing Director

ABOUT THE AUTHOR

Jose Maria has more than 20 years of experience helping government and private sector organisations transform the societies where they operate, most recently in Europe, Africa, and India. As Palladium Managing Director and head of Impact Investments, Jose Maria is passionate about unlocking the power of capital to deliver long-lasting solutions to socioeconomic challenges.



Looking ahead to 2023, I can't imagine it's going to be an easy year. At the very least, it's going to be complicated. There's no end in sight to the war in Ukraine and as we've seen now for nearly a year, its ripple effects have been felt globally. We're facing down what looks to be a recession and a cost of living crisis, which will inevitably draw attention, capital, and legislation away from the continued climate crisis.

And climate change? Without a doubt, we will continue to experience its impact during 2023. It's no longer a question of whether it will happen – it does and will continue to do so with more force every year the crisis continues unchecked, each time leaving more people in need of assistance.

But I'm not without hope.

“I believe that 2023 will bring not only more focus on carbon but an increased focus on biodiversity and the role it has to play in our fight against climate change.”

ENERGY TRANSITION

Following COP27 in Egypt, I'm heartened to see collective enthusiasm around the energy transition. There is, and I envision in 2023 we will continue to see, an enormous push in this space. We've already seen the latest pledge from Indonesia to reach



“I expect that we’ll see companies, multinational organisations, and governments looking more locally to strengthen and shorten value chains.”

and corporations, and more attention on ensuring we have the infrastructure in place to support the change.

SHORTER MORE RESILIENT SUPPLY CHAINS

Another shift already underway is that of the focus on resiliency and security. Global economies have experienced shock after shock in the last two years and maintaining stability moving forward means ensuring that we’re secure and resilient enough to withstand more shocks to come. Much of that will come down to supply chains, the shortening of value chains, and placing more of an emphasis on equipping local suppliers to meet growing needs closer to home.

I expect that we’ll see companies, multinational organisations, and governments looking more locally to strengthen and shorten value chains. Doing so will not only make them more resilient but is one of the many answers to lowering carbon footprints. As we face down global food insecurity, it’s no longer an issue of whether commodities or food is cheaper – it’s whether it will arrive at all, and that’s what resiliency will ensure.

The idea of resilience and providing solutions for those that are most vulnerable amidst an economic crisis will be high on the agenda of developed economies. Already, we’ve seen enormous spending by countries like the UK and U.S. domestically to lift their people up and out of poverty. And yet, this is not enough as inflation will continue to hit them disproportionately,

while paradoxically the same countries have huge labour shortages. A lot of focus will need to be on helping those vulnerable people of working age that have been excluded from the job market to return to good jobs.

NATURE-BASED SOLUTIONS

Finally, and perhaps most excitingly is the growing momentum around nature-based solutions. It’s an unstoppable movement and I believe that 2023 will bring not only more focus on carbon but an increased focus on biodiversity and the role it has to play in our fight against climate change. While I don’t expect we’ll see any major developments, I do think it will be a year of increased attention and improvements made to standards for carbon and biodiversity credits and the emergence of other ecosystem services.

But we can’t talk about nature-based solutions, restoration, and increased focus on biodiversity without talking about Brazil. As the country welcomes in a new president with high hopes for putting climate back on the agenda, the world will be watching and investing in the restoration and protection of the Amazon rainforest, one of our planet’s greatest carbon sinks.

Complicated but hopeful is my outlook for 2023. None of the solutions to these global problems are simple, but at the very least, we already know what the solutions are, and they are within our grasp. We simply need to begin implementing them.

net zero by 2060 and the United States Inflation Reduction Act, which allocates US\$369 billion in funding to tackle climate change, and indicates a willingness to not only commit to, but to fund the transition. It won’t come cheap, and it won’t come easily.

We already know that shifting away from fossil fuels cannot happen overnight, which puts us globally in an in-between stage. While many countries have committed to the energy transition, we don’t yet have the technology, capabilities, and infrastructure in place to flip the switch to renewables. I expect this year will present us with a transition time, one that includes the reskilling of workforces for green jobs, a great shift of investments into renewable energy for both governments

Do We Need to Change How we Do Development in 2023?

BY
Sinéad Magill 
Palladium Managing Partner

ABOUT THE AUTHOR

Sinéad Leads Palladium's donor funded businesses, including delivery of the UK Government's Humanitarian and Stabilisation Operations program. Sinéad has over 15 years of experience leading governance, security, and justice programs. She played a key role in DFID's programming in Iraq and subsequently delivered programs in Afghanistan, Palestine, Uganda, and Syria. Sinéad was featured in Management Today's 35 Under 35 and won the Women of the Future Business Award.



As we step into 2023, it's with a sense of urgency. From the continuation of COVID-19 and the pandemic, the war on Ukraine, and their combined impacts globally, to the increasing pace of climate change, it's clear that the development challenges we're facing are intensifying.

Yet, the traditional sources of donor funding for development work are stretched thinner than ever. While I'm optimistic about the increase in funding available from the private sector, philanthropists, and non-traditional development organisations, it remains unclear how this will translate into coordinated responses and the catalytic impact needed to get ahead of these massive challenges.

Many, if not all, of those challenges are urgent now and expensive to address. It's made me wonder if it's time to look at development differently and to reinvent some of the approaches upon which we've traditionally relied.

“We are already primed to support the shift to renewable energy.”

What got us here won't always be the right way forward. We as development practitioners need to evaluate whether the solutions we've used in the past years still work, or if this is one of those critical points in time when so much is changing that something different has to happen in order to address it all.

Around the world, businesses and the private sector are doing positive work to engage on ESG priorities and it's likely that their work and these sources of funding will address issues of supply chain management, local context, and the energy transition. And while it's unlikely that they will address the trickier issues of governance and policy, these positive shifts indicate that there are more organisations

ready and able to partner on tackling some of development's biggest challenges.

No matter who steps into the development sector and what those changes may be, I know for certain what won't go away – localisation. And it must step into the fore. It's something we've talked about before; it's the right way to ensure the impact we're having is long-lasting and sustainable and it's a trend that must continue.

But localisation alone is not going to solve the problems we will face in 2023. Rather, the answer is in new ideas, new players, and new technology, blended with the development sector as we know it now – yes, including localisation – but also the way we implement systems changes, partner with governments, and support those in need. As we step into 2023, I see this shift happening across three sectors and places; the move towards renewable energy, providing support to refugees, and in the efforts to rebuild Ukraine.

RENEWABLE ENERGY

As we look towards solving climate change, we know that it cannot be done without global energy transformation, and that switch requires both technology and system wide changes across the energy sector. Development as a sector is largely focused on the provision of technical expertise and advice and supporting whole of system changes. In essence, we are already primed to support the shift to renewable energy.

It's so easy to suggest going into a country where there's loads of sunshine and setting up solar energy. Of course, it's not that simple. Success means more than sourcing the technology and plugging it in. You need to look at everything from export controls and how it will plug into the grid, to incentives, government legislation, how it will be paid for, and more. Simply put, it's complicated.

But the shift to renewable energy is the perfect marriage of how the development sector tackles projects and problems and the large scale and global challenges that we'll be facing this year and the years to come.

“The war is decimating much of the country but it will end, and we need to be ready when the task of rebuilding begins.”

REFUGEES

2022 saw some of the largest numbers of people moving around the world in history. By May of last year, more than 100 million people had been forcibly displaced worldwide. The refugee crisis is enormous and it's not going away anytime soon, especially when we take into consideration the continued war on Ukraine, and those people who will be forced to move due to the increasing effects of climate change.

It's also putting pressure on the countries where people are landing as the citizens of those countries aren't seeing the economic dividend – they're only seeing the cost and pressures on their societies. Solutions are needed, and quickly. Putting refugees in hotels and camps is not just too expensive and unsustainable, but undignified.

I think those of us in the development sector will need to focus in on the causes of immigration and how to stop it, but also how we can be part of the solution to help countries domestically and make it a force for good, because an increase in refugees and immigrants doesn't have to be a negative. Instead, we've seen time and time again how increased diversity (refugees included) is good for societies and economies alike.

As we look ahead to finding ways to support refugees beyond addressing their immediate needs, it will also be critical to help reframe how host countries, citizens, and businesses perceive them; as assets rather than a drain on resources.

UKRAINE

I would be remiss in looking ahead to 2023 without touching on Ukraine. The war is decimating much of the country but it will

end, and we need to be ready when the task of rebuilding begins.

The international community is paying attention. Millionaires and charities alike have opened their chequebooks and are ready to support Ukraine in any way possible, providing a massive opportunity to not only rebuild the country's infrastructure, but to leapfrog closer to renewable energy, sustainability, and inclusivity than it was before. But the government will need support and expertise in doing so in the coming months and years to ensure that there's the scope and ability to make that change.

That's where I believe development will excel. At the end of the day, development's role is about enacting system-wide change. While other organisations may address specific issues, such as building infrastructure or providing funding for specific initiatives, it's up to the donors and development sector to go beyond the obvious solutions and dig deeper into systemic issues and how they can be addressed.

Yes, budgets are stretched and our global problems feel bigger and more expensive than ever, but I'm not without hope. The development sector is well equipped to pivot to address these global issues and it's because of the people involved.

I'm finding hope within the discourse, and I'm glad to see that the conversation not only includes impact at the centre of it but continues to broaden and include more people and sectors beyond development. [↪](#)

The Global Health Outlook

BY

Dr Farley Cleghorn 

Palladium Chief Medical Officer

ABOUT THE AUTHOR

Farley is an international expert who has over 30 years' experience in international health development, research and program implementation as an infectious disease thought leader, systems thinker, and epidemiologist, with particular focus on HIV/AIDS and leads Palladium's global Health Practice. He holds an MD and MPH from Johns Hopkins University and is trained in internal medicine and infectious diseases.



Looking ahead to 2023, there are a few of what I call 'transitional issues' that I expect will bleed into the new year, especially in the global health sector. The first, being the impossible to ignore, is COVID-19.

COVID-19 AND THE GLOBAL HEALTH SECURITY QUESTION

As much as we all want to move past the pandemic, it's not yet over. From a social and a mitigation perspective, COVID-19 is still with us, but unless we see a severe variant emerge over the coming winter, we probably won't see any reimposition of restrictions. Despite that, it doesn't mean that every sector can forget about it, and surveillance will continue to be of utmost importance, both within the population and within our laboratories where we track, study, and understand the novel coronavirus, its variants, and implications.

This leads directly into global health security and our efforts around the world

“As more people shift around, we can expect to see two major effects: an increase in infectious diseases and water-borne diseases, and a greater strain on health systems.”

to prevent the next pandemic. While we are still processing all the lessons of coronavirus, we learned a lot that will help us deal with the next novel organism. It's a hot button issue and one we continue to discuss, yet very little funding has gone towards it. While we continue to hear predictions that global health security will be better resourced or get more attention, unfortunately I don't see any opportunities



“I’m hopeful that this year we may get a clearer understanding of what both the multilateral and bilateral commitments will be for global health security.”

largely due to climate change. As they rebuild, healthcare infrastructure must be taken into consideration – can clinics be built on higher ground or elevated by a couple of feet? Do hospitals need to have boats to transport vulnerable patients during flooding?

And that’s just infrastructure; how can we address the unseen mental toll of the climate crisis in our populations or mitigate the effects of rising temperatures on our bodies? I’m hopeful, as our teams and projects are already building climate change mitigation into our work in the health sector and looking around at emerging best practices that can be disseminated. Humanity has always adapted to big challenges, and 2023 will be no different in that regard. [↪](#)

where the landscape for work within the sector will open up soon.

The broader issue is one of competing priorities, but I’m hopeful that this year we may get a clearer understanding of what both the multilateral and bilateral commitments will be for global health security. Once those are established, we can move forward more cohesively to continue our control of COVID-19 and ensure that we aren’t caught off guard again by another pandemic.

REFUGEES AND CLIMATE DISASTERS

People are on the move. We currently have the greatest number of refugees globally in history, exacerbated by the war in Ukraine, a looming global recession, food shortages, and climate change – and the ripple effects will be wide-reaching. As more people shift around, we can expect to see two major effects: an increase

in infectious diseases and water-borne diseases (e.g., in refugee camps), and a greater strain on health systems. We need to be proactively thinking about bolstering the healthcare systems within countries that are taking in refugees.

For organisations implementing development assistance like Palladium, I expect we will see more inclusion of the intersection of climate change and health in donor priorities. If the natural disasters of 2022 were any indication, the trends are real. We cannot discount the effects that our changing climate will have on our health, both physical and mental. We’re modelling how climate change will continue to affect health and global health systems and infrastructure. This is a whole of society problem and needs whole of society solutions.

Consider Pakistan, which just experienced some of the worst flooding in its history,

CFOs Have Entered the Corporate Sustainability Conversation

BY

Katharina Cavano 

Palladium Senior Editor

★ FEATURING

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ABOUT THE AUTHOR

Katharina is Senior Editor of The Catalyst and contributes to Palladium's global brand, marketing, and PR team. Based in Washington, DC, she holds a Master's Degree in Strategic Communications from American University, along with experience in journalism, marketing, and content development across multiple industries.

ABOUT THE EXPERTS

Throughout his 36-year career, Eduardo has designed and executed market-led approaches to accelerate inclusive economic growth and generate employment opportunities. He is a recognized expert in the areas of inclusive supply chain solutions and has particular expertise in crafting and managing public-private alliances. He has worked in a total of 64 countries generating private sector investments and transforming value chains across industries ranging from agriculture to financial services. Eduardo was co-founder and CEO of CARANA Corporation, now part of Palladium.

David has been helping organisations define and execute their strategies for more than a decade. He leads Palladium's Strategy Execution offerings within the Commercial Innovation Practice from both a training and implementation perspective. In this role, he supports clients in the maintenance of a clear strategy, communication of the strategy throughout the organisation, evolving corporate governance, and partnering with HR to integrate strategy into personnel management practices.

“Companies need to include community climate resilience as part of their environmental strategies.”

The focus on sustainability and ESG for corporations continues to mount and this year brought a reckoning for some organisations and breakthrough commitments for others. The difference in 2022 is that more consumers are looking for better communication from the brands and businesses they engage with on ESG efforts.

Clear communication will be key in the years ahead, especially when it comes to how organisations are framing their work toward ESG goals as 78% of those surveyed say that companies have a responsibility to behave like a good citizen and 62% believe companies should be

penalised for lack of action on key ESG issues. That communication goes hand in hand with clear reporting, something that Eduardo Tugendhat, Palladium Director of Commercial Facilities for Natural Resource Systems, says will be significant in 2023.

IMPROVED MEASUREMENT

“One of the most significant things that’s emerging is that the SEC [Securities and Exchange Commission] is leading on requiring companies to report on material Scope 3 GHG emissions and reduction targets from supply chains,” says Tugendhat. Scope 3 emissions, or emissions from an organisation’s supply chain, are notoriously difficult to measure and mitigate. Many companies lack a clear understanding of these emissions or how they will be mitigated.

“I envision that the SEC requirements will be followed by the EU and international accounting standards, which will put many big corporations in a position of having a fairly massive contingent liability,” he adds.

According to Tugendhat, for a lot of CFOs, it will become an imperative to fully understand this risk and think more strategically with supply chain partners on mitigation strategies that benefit all actors in the supply chain. That’s right – CFOs have now entered the corporate sustainability conversation. “CEOs made the commitments and now the CFOs have to put something in their financial reports that are, for all intents and purposes, a potential liability, and that suddenly changes this from being a nice-to-have to a must-have,” explains Tugendhat.

David McMillan, Palladium Senior Manager, hopes to see continued progression of scrutiny on ESG reporting and shift in how corporations are reporting on and thinking about their outputs, such as items provided, or outcomes, like livelihoods improved. “I hope that this scrutiny extends to expecting intermediate progress on long-term targets, like 2030 and 2050 carbon targets where we should soon have a better sense of who is actually serious about achieving those targets.”

SUPPLY CHAIN RESILIENCE

When it comes to carbon, Tugendhat envisions that we’ll see a shift from carbon offsetting programs to more companies evaluating their supply chains as a means to reduce emissions overall, as well as to increase efficiency and resilience. “It builds a competitive advantage in the marketplace,” he says. “By rethinking how they’re organising their production and supplies, organisations can bring together both the financial risk perspective and reduce the risk of carbon liabilities.”

He shares the example of large food and agriculture companies; “To make their supply chains more resilient, they need to incentivise and support farmers to be better custodians of land, water, and environment, as well as create more direct supply chains.”

The bottom line? Companies will need to shift, and quickly, beyond focusing on just emissions, and start looking at the S of ESG, too – especially those that work within vulnerable communities.

“Companies will inevitably realise that they cannot just be targeting carbon abatement and offsetting,” adds McMillan. “They also need to include community climate resilience as part of their environmental strategies as the effects of climate change are already here and affecting communities in ways that are expensive and deserve action.”

GREEN ECONOMY NEEDS MINING

This is especially applicable in the mining industry, notes Tugendhat. “We’re going to see and hear more and more about the green economy in 2023 and one of the things people get upset about is that the green economy requires a lot of minerals, and that requires mining.”

Whether it’s for electric vehicle batteries or windmills, a transition to the green economy is reliant upon critical minerals but mining them doesn’t have to be a sustainability risk. “Just like in the case of agriculture, mining can be part of the problem but also contribute to the solution,” Tugendhat adds.

“Just like in the case of agriculture, mining can be part of the problem but also contribute to the solution.”

There’s a growing shift in the mining industry as companies are realising the opportunity they have to be more proactive in investing not just in their production, but in the entire landscape around mines. The best way to start is by helping communities to be more resilient in ways that can also reduce the mine’s carbon footprint. Tugendhat echoes McMillan in his call for community resilience, and doubles down on the growing impetus for mining companies in remote areas vulnerable to climate change to better engage with and support communities, or risk business and conflict.

Last year, our experts forecast a focus on sustainable supply chains and this year it appears that focus will only become more refined. This is thanks in part to better measurement tools in place, but also to continued shocks to global economies. “The war in Ukraine has been a huge disruptor, on everything from energy and gas to agriculture and food supplies,” Tugendhat notes. “But remarkably and hopefully, there has been a tremendous amount of innovation and ingenuity in figuring out alternative ways of doing things, and it’s just a matter of building on some of that energy and turning it into ways that can scale sustainably.”

Better measurement and requirements; greener, more resilient, and shorter supply chains; and a shift towards sustainable community building are what our experts predict for 2023. The reality is, they all go hand in hand in building greener, cleaner economies in the race towards 2030 and beyond. 

Stability, Skills, and Green Jobs

★ FEATURING

Becky Brocklehurst 

Restart Team Leader

Tracy Ferrier 

Skills for Prosperity Team Leader

Joost Verwilghen 

Challenge Fund for Youth Employment
Team Leader



ABOUT THE EXPERTS

Becky leads Palladium's DWP Restart contract in the UK which is delivered across Hampshire and the Isle of Wight. Becky comes from a background of nearly 20 years in the Welfare to Work sector and has worked on a variety of contracts, including many from start-up and with varying commissioners. Becky specialises in developing and managing high performing and engaged teams across large geographies to deliver against outcome led performance and compliance targets. She has worked for Ingeus, formally WorkDirections, and Maximus prior to starting with Palladium.

Tracy leads the Skills for Prosperity Hub for Palladium, overseeing the delivery of skills programs in nine countries, on behalf of FCDO. She has extensive experience of leading the design, delivery and evaluation of education and skills initiatives in the UK and in over 40 countries around the world. Tracy uses her expertise to advise governments and decision makers on education and skills policy and transformation.

Joost is the team lead on Palladium's [Challenge Fund for Youth Employment](#) (CFYE), based in the Netherlands. The CFYE is supporting private sector driven youth employment initiatives in over 10 countries in the Middle East, North and Sub-Saharan Africa. Joost has been working with Palladium for over 20 years on a wide range of programs funded by international development agencies, such as FCDO, DFAT, the European Commission and the Dutch Government in the capacity of project director, team leader and consultant. Prior to working on the CFYE, Joost was Chief Operating Officer on the [SPRING Accelerator](#), an innovative business accelerator seeking to transform the lives of adolescent girls living in South Asia and East Africa.

“General soft skills and skills related to business management and digital literacy are just as, or even more important.”

Unemployment is up and then down, job vacancies are soaring, and an economic crisis is looming around the world.

Those working in the employment services and skills sectors have their work cut out for them in 2023, including leaders from Palladium programs like the Restart Scheme, Skills for Prosperity, and the Challenge Fund for Youth Employment. Here are the trends these experts are predicting over the next 12 months in their field.

GREEN JOBS AND THE PATHWAY TO NET ZERO

The climate crisis is always top of mind, and with it, the need for green jobs. As global economies shift towards renewable energies and meeting net zero commitments, so too must the jobs

that will support the transition. For Joost Verwilghen, Team Leader of Challenge Fund for Youth Employment, green jobs offer an opportunity for and a solution to the youth employment challenge, especially in Africa. “The way we live and work is rapidly changing,” he says. “At the same time, challenges such as climate change, poverty, and inequality are accelerating the need to rethink the world of work.”

“The transition to a green economy requires investments in renewable energy and more sustainable production processes, but that requires not only large-scale investments and capital allocation, but labour, and green jobs are essential to making the transition work.”

According to Verwilghen, the perception amongst young people is that advanced technical or scientific skill sets are needed to work in the green economy. “Our research, however, shows that general soft skills and skills related to business management and digital literacy are just as, or even more important,” he explains.

Becky Brocklehurst, Restart Team Leader, adds that equipping people to meet the needs of the green economy will be critical for those in the skills sector.

“We’re going to be looking closely at what the skills are for a net zero economy and how we can help construct the pathway for people to work within the green sector,” she describes. “But that isn’t just a conversation with job seekers; this transition is whole of economy, so the shift too must also be whole of society, and we’ll need to educate the educators and work closely with employers to understand exactly the skills they will need from their future employees,” Brocklehurst explains.

SUPPORTING INFORMAL TO FORMAL

Tracy Ferrier, Team Leader of Skills for Prosperity (which works in nine countries forming connections with the UK) notes that in South Africa there are more young people working in the informal and gig economy than before the COVID-19 pandemic. “More and more people are getting quite creative, creating their own

jobs, and finding different ways to make a living,” she explains. “And while that works for many and provides flexibility to meet their needs, there’s not much stability and it may not be right for everyone.”

In the face of a recession, stability will be critical for most people in the labour market. “There is going to be a growing need to support young people to move from the informal to the formal economy, by recognising the transferrable skills that they have to help them into a more formal job,” says Ferrier.

She admits that it’s a learning journey for everyone involved, and that her team is thinking actively about how to address the challenges around ease of access to training and employment.

“Barriers add up,” she explains, “whether it’s because people don’t have transportation and need to work or train close to where they live, or they have caring responsibilities and need to work from home, or perhaps have connectivity issues. We need to provide training and transition support into employment that takes these things into account by, for example, making it more flexible or more in line with how young people are accessing information already.”

MENTAL HEALTH AND RETENTION

“Employers want retention,” says Brocklehurst. “They want someone to come into a job and stick.” But as she explains, it seems to be harder and harder to find people willing to commit to a job long term. “It’s an employees’ market in the UK at the moment and people are jumping around from job to job simply because they have options.” But in the long term, doing so isn’t good for employers or employees.

She notes that there’s not one clear solution, but there are a few things employers can do to mitigate this trend. “There should be an understanding that the key to retaining employees is providing a lot more tailored support and roles for their people.” And part of that, she notes, is mental health. “It’s a topic that’s far more discussed, which is positive, but it’s not something employers can ignore.”

“There should be an understanding that the key to retaining employees is providing a lot more tailored support and roles for their people.”

Brocklehurst says that it’s something that’s top of mind for her team as well, and that they’re receiving training to understand how mental health can impact someone on the job market – especially someone who’s been unemployed long term. “We’re a lot more aware of it and I’ve seen that employers are open to accommodating in their hiring, which feeds directly into retention and employers are recognising that they need to be a lot better at active listening and understanding what that would look like,” she describes.

Stability, retention, and skills for a changing economy are on the horizon for 2023. It’s reflective of the world at large as many countries face down recessions, as more people are paying attention to mental health, and as governments and the private sector alike are preparing for what a transition to a more sustainable future will look like. “Where industry sectors are transitioning towards becoming greener, it will be critical for training providers to look at how they prepare trainees for the new jobs and opportunities that will come in the future,” Ferrier concludes.

Partnerships will be key – employment services and training organisations have a responsibility to work closely with industry to understand the labour market and its needs. At the heart of it all is the opportunity to meet the needs of individuals looking for stable, secure, and sustainable employment. 

3 Ways to Tackle Climate Change in 2023

★ FEATURING

Tom Gegg 

Palladium Nature-Based Solutions
Technical Lead

Emma Davies 

Palladium Senior Partnerships Manager

ABOUT THE EXPERTS

Tom leads the Project Development team for Palladium's Nature Based Solutions work in the UK. His team brings together environmental and economic skills to demonstrate a new funding approach for landscape-scale nature restoration. Together with National Park teams and land managers across the UK, they design and launch large scale restoration projects that will generate long term incomes for farmers and attract ethical private investors. Before returning in the UK, Tom worked on tropical forest conservation with the Ministry of Environment and Forestry in Indonesia.

Emma is Senior Partnership Manager for Palladium's Nature Based Solutions platform. In this role she works to develop partnerships with businesses and organisations to design and develop commercially-attractive business models that protect, sustainably manage and restore nature. She specialises in strategic partnerships, knowledge management, communications and learning and has experience across innovation, business incubation, gender & inclusion, and impact investing projects. Her global experience includes time in Tanzania working with the Human Development Innovation Fund.



“The way forward is to start thinking about nature restoration projects in really the same way we would think about managing and investing in an infrastructure project.”

The clock is ticking on the global imperative to address climate change. As the calendar rolls over one year closer to 2030, marking the deadline for many sustainability commitments made in the last decade, it's more important than ever for governments and corporations alike to go beyond commitments and take action.

Positive change is afoot and it's expected to continue in 2023 but for Palladium's Nature Based Solutions team, those changes are already well underway and

this year may bring a tipping point in the right direction for those working to address climate change.

NATURE BASED SOLUTIONS AND CREATIVE CARBON SEQUESTRATION

“Nature based solutions and the importance of restoring and protecting our natural capital is still and will continue to be on the agenda,” says Emma Davies, Palladium Senior Partnership Manager. “I think it's already getting more and more recognised as a broadly adopted approach to climate mitigation and decarbonisation (or carbon capture) that can be rolled out at scale, and 2023 will bring more focus on it as corporates look at how they will meet their net zero commitments.”

Palladium's Nature Based Solutions Technical Lead, Tom Gegg, takes it one step further and envisions that 2023 will be the year that nature based solutions go from being projects that have always been funded by public grants or donations to becoming tangible investment

opportunities for ethical investors. “This is what we are doing with Revere and the UK National Parks – creating projects from beginning to end in which the private sector can invest,” he explains.

“But the way forward is to start thinking about nature restoration projects in really the same way we would think about managing and investing in an infrastructure project,” Gegg adds. “Just like building a motorway or wind farm, the same project finance principles and techniques can be applied to organising a large-scale nature restoration project.”

Why think about it this way? He explains that beyond the fact that the projects are generally structured in the same way – from development, to securing offtakers, designing government subsidies in the right way, and finally attracting investment – it’s also an easily recognisable process for investors. The key in 2023, he says, will be ensuring that nature based solutions and projects are attractive to investors.

Davies adds that she expects we’ll also see new and exciting ways for sequestering carbon in nature. “From seaweed, salt marshes, soil, and woodlands, there’s going to be more innovation around what other natural capital we can be utilising to sequester and capture carbon, and it will be a space to watch.”

Currently, the market is constrained by the lack of investable nature-based solutions projects, says Davies. “But as more seed capital and funding is invested into early stage ideas, we’ll see more large-scale projects that are investment ready.”

TRACKING EMISSIONS IN FOOD SUPPLY CHAINS

Across nearly every sector, our experts have come back to the importance of supply chains in the year ahead, and whether it’s making them more efficient or resilient, sustainability is crucial. Supply chains will continue to play a critical part in the fight against climate change and for many organisations, can be both a part of the problem and the solution. According to Gegg, this will come to the fore in 2023 in

food and agriculture supply chains.

“Now that the Science Based Targets initiative has released its guidance for forest and land use, food companies need to start taking into account what’s happening in their supply chains,” he says. “Think about a big grocery store buying from hundreds of farmers around the world. How can they and you track what impact they are having on nature?”

In a world where over 90% of supermarkets’ emissions come from supply chains, these companies need to invest in better measurement and management to understand exactly what’s happening within theirs. “Very quickly these companies are going to need to engage directly with farmers and support them in reducing their footprints while still continuing to produce food.”

It’s complicated and it creates what he calls a ‘mind bending accounting problem’ in tracking and [accounting for emissions](#) throughout the supply chain, especially within food supply chains. But he notes that already, technology is emerging that tracks both data and emissions, providing a fuller picture for organisations with complicated ecosystems.

Davies notes that we can expect to see increased policy regulations around what actions companies need to make, to help drive us towards a net zero future. In the UK, the introduction of the Transition Plan Taskforce Disclosure Framework earlier this year aims to standardise and set the bar for high quality private sector climate transition plans in the UK. Currently under consultation, if approved it will force businesses to put in place and implement rigorous net zero plans that go beyond what companies have pledged to date.

THE PUSH FOR RENEWABLE ENERGY TIPPING POINT

Finally, if COP27 was any indication, the race to renewable energy has begun and as Gegg notes, we’re nearing the tipping point. “Since last year’s COP, there have been some super interesting announcements and commitments

“From seaweed, salt marshes, soil, and woodlands, there’s going to be more innovation around what other natural capital we can be utilising to sequester and capture carbon.”

between developed countries and middle income countries where there is a lot of potential to unlock massive investment into the transition of entire power grids to clean energy.”

It’s a mammoth task but so are the investment amounts ready to be poured into these projects. “The Just Energy Transition Partnerships are great examples of massive coalitions of people coming together to create a tipping point towards renewable energy in both Indonesia and South Africa,” he explains.

The shift to renewable energy won’t happen overnight but Gegg stresses that time is of the essence, especially when it comes to building momentum around planning for the transition and properly funding it. But one thing is clear: nature based solutions will continue to play a part in both greening supply chains and shifting to renewable energy.

Many commitments and goals set for 2030 remain ambitious, underscoring that governments and corporations alike must continue to accelerate efforts in 2023 and beyond. [↪](#)

How Infrastructure Experts are Solving for an Uncertain Future

★ FEATURING

Brad Richardson 

Head of Palladium Infrastructure

Sally Falls 

Palladium Director of Infrastructure

John Dionisio Jr. 

GISI Managing Director



ABOUT THE EXPERTS

As Head of Palladium Infrastructure, Brad is responsible for the hard infrastructure outputs of investment programs, whether through disaster response, strengthening projects, or economic development. He has been engaged by all levels of Government in the Health, Defence, Social Infrastructure, Education, and Indigenous sectors. He is deeply committed to sustainability and is known for driving high performing teams and clients toward common goals.

Sally is the Director of Palladium's Infrastructure business and passionate about making positive impact and delivering community focused solutions. She commits to adding value and leaving a lasting, positive legacy in each and every community in which Palladium Infrastructure works. With a background in the delivery of major health infrastructure projects and mixed-use developments, her strategic approach to delivery, and unwavering focus on adding value to the community, ensures that funding objectives and community needs remain at the forefront of infrastructure project delivery and decision making.

John brings nearly two decades of corporate, project, and sustainable development experience in Europe, Africa, and the Americas to GISI. As the MD of Corporate Development, John's principal role focuses on corporate and strategic development initiatives including supporting organic and M&A growth plans and strategic planning initiatives. John also spearheads GISI's approach to technology-based innovation investments as well as ESG strategies.

“2050 will be here before we know it and we're far from net zero.”

Are better roads and buildings the solution to climate change? Not entirely, but infrastructure is an important part of the fight, and it encompasses far more than highways and high rises.

Brad Richardson, Head of Palladium Infrastructure, explains that more so than green infrastructure, resilient infrastructure will be key in the coming years in both withstanding the increased threats of natural disasters and meeting sustainability commitments. “If you look back 20 years, after 9/11, we started to look more at security within infrastructure, and then after that, the conversation shifted to ensuring that our buildings are as green as they can possibly be. Now, we've accepted the realities of climate change and its effects

on buildings we must look to resilience as a key design factor.”

“All of these things have changed the way we design infrastructure,” he explains. “Disaster resilience, security, and sustainability all come together for one project and it’s becoming extremely complicated to meet all those needs, meaning that the skills required by a design team are far more diverse before you even get to the construction phase.”

Richardson also points to the part that better buildings can play in sustainable cities, from using green facades to soak up heat and produce oxygen, to creating and storing clean energy via solar panels and batteries.

“But it is complex, as many of the city power grids cannot adequately accommodate such thinking. If every high rise building in a city is selling clean power back to the grid, how would that integrate into the power needs of a big city?” he asks.

And he’s not the only one thinking about it. According to John Dionisio Jr, Managing Director at Global Infrastructure Solutions Inc, it’s a hot topic in the sector. “The nexus between infrastructure delivery and net zero commitments is a topic that many, including myself are spending time and energy thinking about.”

He adds that in the U.S., the transportation and industrial sector account for upwards of 45% of the energy-related CO2 emissions across the country, making the sector an integral part of reaching net zero.

“With increased governmental stimulus to build infrastructure projects globally, the opportunity to deliver that infrastructure sustainably through energy efficient means will likely take centre stage in the next few years,” Dionisio explains.

“The detailed feasibility work to study and enable new technologies like Hydrogen, program management work to deliver projects safely and affordably, the engineering needed to design and quantify the environmental profile of assets, policy making to ensure regularly certainty, and

ideas to help drive long term changes in consumer behaviour towards electric vehicles, for example, present a fascinating opportunity for decades to come.”

“2050 will be here before we know it and we’re far from net zero,” he concludes.

But preparing for a changing climate and supporting net zero goals aren’t the only factors in building more resilient infrastructure. Richardson adds that the pandemic also offered its own unique challenges and opportunities for those in the infrastructure sector, and it went well beyond how to improve hospitals. “We were even thinking about how to improve or change public infrastructure like pedestrian walkways and removing the buttons to cross at road crossings so that people were not touching things and spreading germs.”

Ultimately, he says that resilient infrastructure is about flexibility when situations call for it. “In hospitals, that’s meant having spaces that could be turned into extra areas for quarantine because as we saw during COVID-19, many health care centres ran out of room in their isolation wards.” As telemedicine grew exponentially during the pandemic, giving people a chance to speak with healthcare providers without leaving home and infecting more people, it helped to lighten the load on hospital wards.

But as Richardson explains, it adds another layer for infrastructure experts to think about. “Now we need to ensure that hospitals have the technology to allow telemedicine to happen more effectively and make the buildings more flexible and adaptable for remote clinical work.” The ‘hospital in a home’ that was once a novel idea is starting to become a reality, if not a necessity.

All of these factors come together to create a layer of uncertainty, says Palladium Infrastructure Director Sally Falls. “These change the way we need to design infrastructure to meet our future needs and the unpredictable or unknown conditions and environments our buildings will have to withstand and be designed for.”

“Resilient infrastructure is about flexibility when situations call for it.”

“But this is also happening in the midst of more economic uncertainty,” she adds. “We have seen supply chain issues and rising inflation due to COVID-19 and we’re now looking at a global recession in 2023.” Falls explains that all of these come together to make it critical to get the business case right and deliver infrastructure that meets communities’ needs, is well designed, and considers all the factors that Richardson lists.

“Getting it wrong is far too costly on many fronts, from the economic to the environmental, and more time carefully considering all these complex issues in the early stages of a build can avoid very costly mistakes which communities and governments can ill afford,” adds Falls.

In the midst of economic uncertainty, the pressure is on infrastructure leaders to ensure that their work is not only cost-effective but built to withstand the many uncertainties of the future. While this isn’t necessarily ground-breaking, as the effects of climate change worsen and become more extreme, and future pandemics loom, the stakes feel higher than in years past. Never has more attention been spotlighted directly on the sector to start thinking about and solving for these uncertainties. 

In 2023, Employers Need to Stay Flexible and Listen

BY
Dr. Rosanna Duncan 
Palladium Chief Diversity Officer

ABOUT THE AUTHOR

As Chief Diversity Officer and Sustainable Business lead, Rosanna draws upon a 20+ year record of multi-sector achievement that includes embedding D&I contractor requirements into Europe's largest infrastructure project, High Speed Rail (HS2). Underpinning her experience are a PhD and membership of the Chartered Institute of Personnel and Development (CIPD), as well as a significant body of research and internationally published work on a range of D&I-related topics.



Last year, I predicted that 2022 would be the year companies would get to know their people again.

And by and large, it was. This past year brought many of us closer to 'pre-pandemic' life and a sense of normalcy, but we also returned to some of the same issues and challenges with respect to equity, diversity, and inclusion (EDI) in the workplace – just with new perspectives gained from several years of lockdown and shifting priorities.

FLEXIBILITY

I would be remiss to look ahead to 2023 and not acknowledge the profound changes that have occurred in corporate offices around the world as many shift to a more flexible way of working. Even the four day working week has entered the conversation.

“Tied in with flexibility and employee happiness is the continued focus on mental health.”

We always come back to the 'war for talent' and we continue to be in an employees' market. Organisations offering flexibility will maintain an advantage in that market.

Flexibility in working times, working from home, and hybrid working will stay centre stage in 2023 and those organisations who don't have them on their radar or strategies, are likely to fall behind in attracting and retaining the best talent.

MENTAL HEALTH AND BELONGING

Tied in with flexibility and employee happiness is the continued focus on mental



“Organisations must be intentional about increasing diversity within their leadership, ensuring that there are opportunities to attract and retain diverse and high potential talent.”

contexts within which they operate. What diversity means in one country is not the same as another and if organisations are serious about increasing diversity in their leadership, they need to better understand the contexts in which they work.

Organisations must be intentional about increasing diversity within their leadership, ensuring that there are opportunities to attract and retain diverse and high potential talent. In doing so, it's critical to keep in mind that it's more complex than just running a recruitment process – it's a matter of revisiting and reimagining what's wanted and needed from candidates and adopting approaches and workplace cultures which will include rather than exclude the best and most diverse talent.

As we move into 2023 and face issues both old and new, it's critical that we continue to make progress on 'traditional' issues (like the gender pay gap), because doing so goes hand in hand with ensuring diversity at the leadership level and creating an inclusive environment for all. [♻️](#)

health. For years, many people suffered in silence in workplaces where there wasn't a culture where they could speak out or talk about their mental health or say that they aren't okay. I think for organisations in many parts of the world, the shame and stigma associated with saying you're not okay is lessening, and more people are starting to feel confident and safe enough to step into that space.

In practice, this looks like communicating with employers when staff may not be coping and need more flexibility in how and when they work.

Staff disengagement or 'quiet quitting' can creep in when employees don't feel supported at each stage of their employment journey. Flexibility will be a close ally in helping to drive retention rates in organisations, but so too will be creating an environment where employees feel they

can bring their whole selves to work and feel appreciated. As I said last year, at the heart of it all is organisations needing to listen to their people and what they need.

The reality is, as an employer, it is unlikely that you will be able to deliver on all employee preferences, but you can start by listening and openly discussing what issues you can address. If you can ensure that people are engaged, have a sense of belonging, feel appreciated and that all aspects of their selves are being supported and respected, you're on the right track.

EQUITY, DIVERSITY, AND INCLUSION AT THE LEADERSHIP LEVEL

As ever, we cannot let up on our focus for diversity at the leadership level, particularly racial and ethnic diversity. To do so in 2023, organisations must think about what they are proactively doing to think about what diversity means in the different local

It's 2023 and Everyone's Talking About Supply Chain Management

★ FEATURING

Dan Rhodes 

Palladium Vice President, Supply Chain Management

ABOUT THE EXPERT

Dan is an accomplished supply chain executive and practice leader focused on end-to supply chain service provision and advisory services to national governments, donors, and private sector clients seeking to transform their supply chain ecosystems. He has 20+ years of global experience at the corporate, project, and country-level managing large, culturally diverse teams in highly complex environments.



Supply chains haven't always been in their current spotlight. What was once a technical mechanism toiling in the background to enable our daily lives is now a topic of dinner conversation and perhaps more importantly, top of mind for executives around the world.

According to Dan Rhodes, Palladium's Head of Supply Chain Management, this shift of attention both within organisations and externally amongst the public has meant an increase in leadership commitment and financial investment for improving supply chain capabilities overall. "In the recent past, supply chain management was largely behind the scenes, rather than the focus for many organisations, which meant that the progress toward improving them happened slowly and incrementally," he says. "But because there have been so many problems with supply chain resilience recently, there's a renewed interest in bolstering the people, processes, and

"Supply chain management, if married or working closely with core business functions, can become a major value add."

readiness for disruptions, which is exciting for the industry."

WHAT WILL THIS MEAN FOR SUPPLY CHAINS IN 2023?

According to Rhodes, adopting new and more advanced technology, seeking a higher degree of process maturity and automation, and expanding the diversity of analytical tools will allow for more integration of supply chain functions within any business or sector. "This will continue to force organisations to more deeply understand the ecosystems within which



“Adopting flexible technology and having the ability to leverage it within different countries and operating contexts will be critical in the coming months and years.”

He sees this as an emerging opportunity in the industry – leveraging supply chain data to enhance overall services delivery and improve customer satisfaction.

“It’s not an easy thing to do,” he cautions. “It requires robust data sets and data that are usually siloed from core business functions, but there’s immense value in that data as long as we’re able to translate and contextualise it.” Getting there will mean integrating supply chain data with business functions and working with historical data and data scientists to create insights that will, at the end of the day, improve the end product and better meet the needs of those receiving it.

While many organisations are doubling down on investments in supply chain technology, a one-size fits all approach will not work everywhere. Adopting flexible technology and having the ability to leverage it within different countries and operating contexts will be critical in the coming months and years.

“We’re finally bringing supply chain technologies up to where the rest of the tech world is, but realistically right now, it is built to work best in the West and in high income countries,” Rhodes adds. “It may not work in the same ways in low and middle-income countries where the infrastructure isn’t there yet.”

This doesn’t mean that these areas of the world should be forgotten. In Africa where populations and a middle class are growing, there’s an increasing importance for businesses to change their

approach to working on the continent. “Many African countries continue to face infrastructure, technology, and marketplace monopolisation challenges,” Rhodes explains. “Regional and global organisations must adopt a stakeholder view and ensure that small and medium sized local enterprises have the capacity to adopt new supply chain tech, that warehouse and distributors improve practices, and that their involvement in local markets enables healthy competition rather than distorting it.”

“If you’re not doing that, especially as a global company seeking to maintain or grow your service offerings on the continent, you will fail because you must rely on local networks and businesses in these high touch, very contextualised locations.”

Doing so is not only good for business but could provide the opportunity to support low and middle-income countries to leapfrog technologies and build up sustainable long-term capacity more quickly to meet the more economically advanced countries where they are now.

It’s safe to say that global supply chains will continue to face disruptions, big and small. Now that much of the world has seen and understands the consequences of sustained disruptions, Rhodes says that it’s an opportunity to improve not just technology and data use, but how businesses and organisations interact with and integrate supply chain management into core business functions.

The challenge, he says, is how organisations will keep up with supply chain trends while retaining the agility to thrive within emerging contexts where people are diversifying and where the markets and the needs continue to grow. [↻](#)

they work so that they can better serve their customers.”

Rhodes shares the example of an international organisation or NGO working within the public healthcare sector. If their product or service aims to support last mile clinics, they need to spend more time with clinicians to understand the product availability challenges they face, what medications are needed and when, and the interdependencies that are occurring upstream of the clinic to truly improve the clinic’s overall functioning. In that case, supply chain data could even feed into how doctors prescribe therapeutic regimens, shifting from a 2-week supply to multi-month scripting.

“Supply chain management, if married or working closely with core business functions, can become a major value add that makes those functions or services better, especially if you’re using the data at hand to do so.”

About The Catalyst

The Catalyst is Palladium's online publication, delivering news, perspectives, and in-depth reports from the front lines of our global work. Many of the stories are written by Palladium employees and partners, sharing their experiences and expertise as they work to solve the world's greatest challenges.

The Catalyst aims to inspire, educate, and embolden all readers, from experts in international development and C-Suite executives, to impact investors and community leaders.

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Palladium is a global impact firm, working at the intersection of social impact and commercial growth. For nearly 60 years, we've been helping our clients to see the world as interconnected – by formulating strategies, building partnerships, mobilising capital, and implementing programs that have a lasting social and financial impact. We simply call this “positive impact”.

We work with corporations, governments, investors, communities, and civil society. With a global network operating in over 90 countries, Palladium is in the business of making the world a better place.

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