

»» Dealing with growing uncertainty: Strategic foresight – Envisioning alternatives

One
Pager

No. 1, 09 March 2022

Author: Joachim Heidebrecht
Editorial team: Heide Kühlken

Given the large number of parallel and in some cases interconnected crises – from pandemics to famine, climate change, economic and financial crises, growing authoritarianism and nationalism to armed conflicts – the world has become more volatile and unpredictable than ever before (“polypandemic”). This is particularly evident in the cooperation with highly fragile countries such as Afghanistan, Myanmar or Sudan, where the effects are often cumulative and lead to unexpected and surprising developments. This raises the question of how international development actors can better respond to unforeseen developments and take measures to increase the resilience of their projects to crises at an early stage. Many development institutions use the strategic foresight tool for this.

What is strategic foresight?

Strategic foresight is a systematic process for dealing with uncertain future developments. The basic idea is not to focus prematurely on one development that is perhaps the most likely (“point forecast”), but to envision “alternatives” so as to be prepared and remain capable of action even if other scenarios occur.

Methods for analysing alternative future developments

The starting point is always a systematic analysis of different alternative developments. In order to identify and envision these alternatives, there is a wide range of methods with different strengths and weaknesses, which can also be effectively used in different combinations. The most important are:

– Trend analyses: observing and

extrapolating trends to identify future developments.

- Scenario planning: identifying positive and negative “key factors” for future development, which can then be combined in a number of different ways (often weighted with the probability of occurrence, using best/worst/realistic case scenarios).
- Delphi method: structured survey of experts where the results are often reported back to participants anonymously and then adjusted or further developed in several rounds of feedback.
- Modelling & simulation: mapping of interconnected processes using mathematical models to simulate complex interactions of different events and courses of action.
- Backcasting: a method that starts by defining a “desirable vision of the future” and works backwards to identify the steps and measures required to achieve the vision.

The process also determines the quality of the results

The quality of the analysis can often be increased by tapping into various sources of knowledge and initiating participatory and iterative learning processes. This creates scope for what is possible beyond individual or collective conventions.

Strategic foresight can be applied in development cooperation at different levels (country strategy, portfolio, individual project, etc.).

When is strategic foresight particularly recommended?

Strategic foresight is particularly suitable in contexts marked by a high level of uncertainty (often described as VUCA: *volatile, uncertain, complex and ambiguous*). Systematically applying strategic foresight methods can help

- to prepare development stakeholders for different developments at an early stage so that they can respond decisively and quickly in an emergency,
- to design projects from the outset to ensure that they can be implemented flexibly and successfully under different overall conditions and
- to ensure that a certain number of projects always remain that retain the local capacity to act and possibilities for influence, when pursuing a portfolio approach in the most diverse circumstances.

Limits of the method and outlook

Strategic foresight is not a cure-all. It is an analytical framework that can make it easier to deal with a high degree of uncertainty and respond flexibly and be well-prepared in the event that special situations arise. The analysis cannot eliminate uncertainty, but can make the risks transparent and increase resilience to unexpected developments and surprising turns of events.

The fact that many development actors (IMF, World Bank, EU, etc.) have now firmly integrated elements of strategic foresight into their planning processes is an indication that the method offers added value compared to traditional deterministic forecasting models. ■