Airbel Impact Lab
Research & Innovation at the IRC

Advisory Model Partnership Playbook

for Investors & Humanitarian Partners

LEVERAGING PARTNERSHIPS FOR IMPACT

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"**The Advisory Model** seeks to prove that if investors and

humanitarian agencies can develop strong partnerships

leveraging their respective capabilities … then both the

financial and humanitarian impacts of investments in fragile or

conflict-affected settings will be enhanced, the financial risk to

investors can be reduced and the amount of investment capital

deployed in pursuit of humanitarian objectives will increase."

– World Economic Forum Discussion Paper, 2022

From: **Cultivating Investment Opportunities in Fragile Contexts**: Catalysing Market-Driven Solutions to Strengthen. Community and Economy Resilience

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Contents

Introduction

Over the last 18 months, the IRC has developed this Advisory Model Partnership Playbook, to provide a tool for investor and humanitarian partners to develop their own cross-sector partnerships.

Drawn from interviews with external stakeholders and lessons learned from our current partnerships on the ground, this playbook is an actionable tool to help investors – from MDBs and DFIs to the private sector – partner with humanitarians on development projects.

We've Developed Two Key Resources
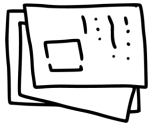
1. Advisory Model Playbook

The Advisory Model Playbook (this deck), a summary of key learnings and To-Dos for each phase of an advisory model project. This deck is a template that can be built on and referenced before starting a new advisory model project.
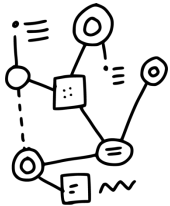
2. Advisory Model Learning Tool

An Advisory Model Learning Tool (_linked here_) which can be used to capture data from conversations with key project stakeholders, summarizing learnings for each phase of an advisory project model. Use a blank template for each project. Project teams should update data on a quarterly basis using data from stakeholder conversations.

We're also building out and sharing case studies of our current and ongoing "Advisory Model" projects, which you can access here.

We're grateful for your interest in this powerful model of leveraging partnerships for impact.

Advisory Model Partnerships:
Definition and benefits

Leveraging Partnerships for Impact

The "Advisory Model" is the concept of humanitarians advising investors in a way that leverages their unique and contextually-relevant skill sets to enhance the social impact of a project. "Investors" might be multi-lateral development banks (MDBs), development finance institutions (DFIs), or private sector investors, from startups and venture capital to private equity.

IRC has developed a range of "Advisory Model Partnerships" in fragile contexts, addressing challenges from wastewater and infrastructure to climate financing and economic development. IRC is seeking to share learnings from these partnerships in order to scale solutions and drive impact across sectors.

How Does the Advisory Model Work?
The Advisory Model Theory of Change
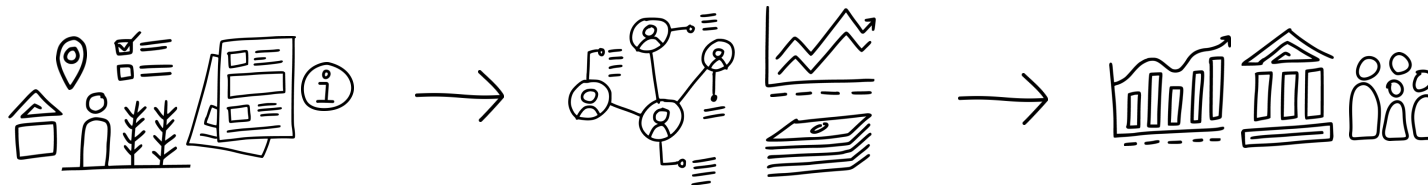
IF humanitarian actors can provide advisory services rooted in client-centered, localized expertise to investors financing projects in crisis settings,

THEN, with broad stakeholder buy-in, the social impact of investments on crisis-affected populations will increase

AND social risks to investments will decrease, incentivizing further investments for people affected by conflict and crisis.

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What Are the Benefits of the Advisory Model?

Partnerships between Humanitarians, MDBs,
DFIs and Private Sector Investors can:

Bridge the gap between business/investment and the development, humanitarian sectors.

Generate more funding, including for priorities like climate finance for frontline communities.

Better inform community engagement and circumstances on the ground: humanitarians know how to reach fragile communities and bring deep expertise working in conflict zones.

Leverage private finance and public dollars in innovative ways to ensure social impact and inclusion goals are achieved

Ensure existing funding reaches the intended communities.

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What Are the Benefits of the Advisory Model?

By tapping humanitarians as consultants, and leveraging investment expertise for humanitarian goals, the Advisory Model is a powerful approach to enhance the social impact of investments in conflict zones.

These partnerships can take a wide variety of shapes and approaches – the key is that institutions across sectors need to try, build and scale them.

How Advisory Model Partnerships Add Value

For MDBs + DFIs	For Venture, Startups and PE	For Governments
• Bridges the gap between intention on social impact investments and implementation on the ground.	• Leverages social impact and risk mitigation experience in communities affected by conflict and crisis.	• Ensures more efficient, better targeted use of grants and investment dollars, helping to ensure dollars and resources reach the communities that need them the most.
• Provides a nuanced, informed view of the barriers to access and inclusion faced by the world's most vulnerable populations.	• Helps to deliver goods and services financed by venture capital and private equity to vulnerable communities in a more targeted way.	• Bridges the gap between humanitarian and social impact goals and requirements and investor efforts and reach.
• Ensures more efficient, better targeted use of investment dollars.	• Offers necessary expertise to overcome barriers to access and inclusion in hard-to-reach communities.	• Drives authentic community engagement rooted in deep experience on the ground.

How We're Partnering
The Advisory Model in Action

In partnership with the EBRD, the IRC has reached proof of concept

IRC is advising on a €65 million wastewater infrastructure investment in west Irbid, Jordan, demonstrating that humanitarians have unique, specialized knowledge that can enable investors to make more inclusive and sustainable decisions around investments in fragile contexts.

Financed through an EBRD loan co-financed by multiple partners and supported by of the Ministry of Water and Irrigation and the Water Authority of Jordan, the project will address economic, health and sustainability needs for the local population and the refugee community in the project area.

To deliver the project on the ground, the EBRD is partnering with IRC to deliver enhanced technical assistance, with IRC providing oversight and advice to EBRD on the project's community engagement plan being led by Jordanian technical consultant the Royal Scientific Society. This work has ensured Syrians and local Jordanians have a meaningful voice in the project. It has created a more inclusive process, enabling EBRD to achieve its social impact goals for the project.

Our learnings from this project inform this playbook.

How We're Partnering
The Advisory Model in Action

IRC currently has over a half dozen other Advisory Model partnerships in the pipeline, including projects in collaboration with:

AquaPoro is a Jordanian startup developing an innovative drinking water technology that is cheaper than IRC's current procurement. Together, IRC and AquaPoro are piloting a 'procurement as investment' pilot, providing IRC operations with a sustainable switch while 'investing' in innovative startup to stimulate innovation in the Jordanian economy.

Flat6Labs, piloting an innovation and entrepreneurship platform to grow the startup ecosystem in the Middle East

In Lebanon we're **partnering with a mission-driven investment firm** on inclusive expansion of solar power. And more, across multiple sectors.

In Kenya, IRC is **partnering with mini-grid companies** to bring solar power to displaced communities.

In Colombia, we're **supporting investments in refugee-lens businesses in Latin America** to expand financial access for local enterprises.

Case studies of these projects in process can be found at _LINK_.

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Key Lessons Learned So Far

**The IRC is encouraged by this work and moving forward with advisory model partnerships across sectors.
Here are our two most critical lessons learned to date:**

1. Strong relationships based on mutual under-standing of expertise can lead to a humanitarian NGO positively impacting an investor's decision making.
A humanitarian NGO can support the social impact goals of an investment and advise on how their implementation affects communities.

- In west Irbid, once IRC's expertise was understood by the EBRD team, IRC was able to advise the community engagement work plan to be inclusive of Syrian voices.

2. Once proof of concept is demonstrated by IRC in west Irbid, it is easier for other investors to envision humanitarians in potential advisory roles in their own projects.

- The 'Advisory model' project pipeline can be developed by having brainstorm conversations between humanitarian NGOs and MDBs/DFIs to determine overlapping priorities and incentives.

Most critically, though, we see this as a model that can be transformative across the development, aid, and investment landscapes — for any organization working to scale impact, or MDB working to drive progress.

Bringing It to Life:
To-do Lists and Workbook

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Overview of Advisory Model Project Phases

1 **Analysis / Project Scoping**

2 **Program Design**

3 **Stakeholder Buy-in**

4a **Budget & Funding**

4b **Timeline & Ops Planning**

5 **Execution**

6 **Communication**

Collaborate with investor to **identify the gap and scope the project**

Determine the **role of the humanitarian** in the advisory model

Develop **internal and external buy-in** from key stakeholders

Align on **budget and funding**

Create MoU and **iterate on proposal** with relevant country-based colleagues

Engage in advisory model partnership

Ensure socialization of project more broadly

Advisory Model Projects can be Scoped at Different Stages of Investment Structuring

| 1 Analysis / Project Scoping | 2 Program Design | 3 Stakeholder Buy-in | 4a Budget & Funding | 4b Timeline & Ops Planning | 5 Execution | 6 Communication |

Bank Phases

| Feasibility Assessment | Environmental & Social Assessment | Financial Structuring |
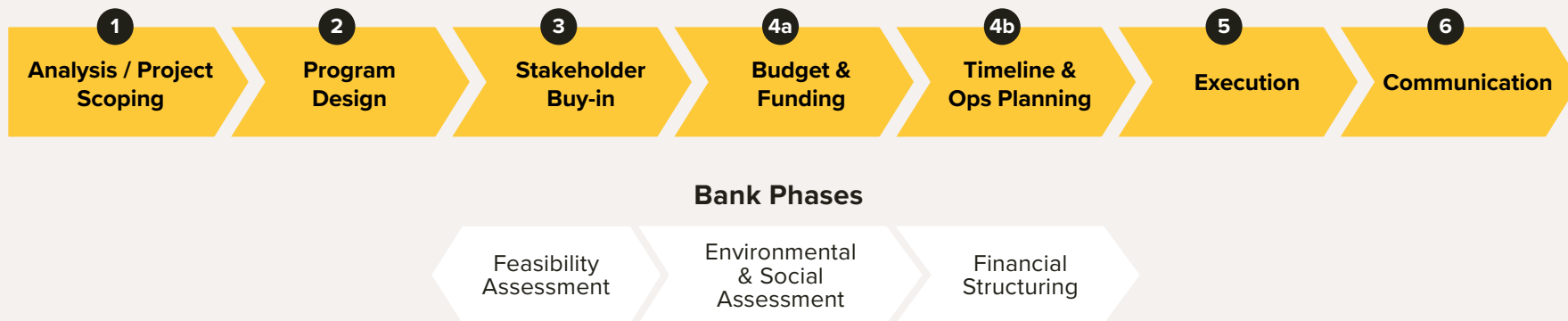
Selection of appropriate investment stage to partner relies on **extensive networking on the behalf of NGOs soliciting partnerships from DFIs/MDBs** to determine overlap on:

1) geographic location
2) needs of communities that can be addressed by finance
3) relevant humanitarian expertise that can improve social impact goals of investors.

This networking will differ based on DFI/MDB standard processes, with which the NGO should be familiar in advance of any solicitation. These conversations should be initiated from senior management to working teams and require:

1) institutional buy-in,
2) formalization through MOUs, and
3) a commitment to open dialogue

(1) Analysis / Project scoping

Key learnings

- Ensure that investor is brought along the journey as the need is identified

- Make sure the needs we identify match the problem the investor is trying to solve

- Investors need data – costs, valuations, revenue, etc, which are not readily available in data collection in humanitarian programming – to make decisions

- Expect that explaining the advisory model concept to key internal and external stakeholders will take time (2 + months) – humanitarians and investors speak different languages and operate in different incentive structures

- Invest in identifying the correct stakeholders on the humanitarian and investor's side (i.e. more than one focal point, and include senior leadership) early on to avoid excessive back and forth and delays due to attrition

- Expect that initial need identified and problem being solved by investor not to match; investors who do not 'get it' quickly should be de-prioritized

To-do list

☐ Identify the need in services/infrastructure/etc according to humanitarian country programs (CPs)

  ☐ Speak to relevant CP experts for their perspective and buy in early on in project scoping

  ☐ Document the need internally

  ☐ Categorize need by type (resource, infrastructure need, livelihoods, etc)

☐ Review identified needs with investor:

  ☐ Obtain investor's confirmation that they see value in servicing this need

  ☐ Identify solution with investor (blended finance, tech, technical assistance, etc)

  ☐ High Level Risk Assessment

☐ Identify key internal and external stakeholders based on bandwidth, decision-making power, etc.

  ☐ Conduct stakeholder mapping exercise to ensure broad network of stakeholders

  ☐ Aim for in-person meetings for kick-off

  ☐ Discussions with country programs, legal teams, etc. To ensure buy-in

② Project design

Key learnings

- Invest in understanding the investor's stakeholders and business model early on in order to identify any potential synergies or challenges

- Determine the role of the humanitarian needs to be a collaborative engagement with the investor partner to ensure their buy-in

- When aligning on a timeline, consider proposing one that is both time-based as well as pegged on project deliverables

- Constantly check in on key risks to project success related to stakeholder engagement and any changes made in design

- Critical to develop the financial model at this stage to understand the drivers and assumptions that need to be validated both internally and externally to achieve success

To-do list

☐ Engage with identified stakeholders and have a clear understanding of each role

☐ Understand full scope of the project on the investor's side, including their:
  ☐ Business model
  ☐ Funding model (i.e., whether they give grants)

☐ Align on timeline / key dependencies of project

☐ Ensure humanitarian country program is fully involved in design of project from beginning
  ☐ Launch design conversations in person as much as possible
  ☐ Work backwards from humanitarian capacity and strengths

☐ Ensure that investor partner is aligned on the identified role that the humanitarian will play
  ☐ Document agreement through MOU with intention of contractual agreement
  ☐ Make sure to be formalizing with a counterparty who has appropriate authority (reinforce senior buy in)

③ Buy-in from stakeholders (internal and external)

Key learnings

- Internally, expect compliance checks and coordination will have delays

- Identify key internal stakeholders and engage early on – prioritize engaging first with stakeholders who can help address bottlenecks

- Ensure that decisions are documented either formally or informally (e.g., over email sent to partners that can be referenced later)

- In person engagement with external stakeholders is critical to building trust and consensus; when in doubt, travel

- Understand the key risks for each stakeholder and consider how to (or not to) mitigate them

To-do list

☐ Build internal understanding of innovative finance, advisory model, and blended finance approach
  - ☐ Initial meeting in advance of opportunity (in-person if possible)
  - ☐ Use materials (such as tool, playbook) to educate, share expectations, and projected phases and outcomes

☐ Develop buy-in with internal stakeholders (legal, compliance, senior leadership)
  - ☐ Identify key internal stakeholders that can help move conversation along when there are bottlenecks
  - ☐ Determine comprehensive list of other internal stakeholders and potential allies
  - ☐ For humanitarians, ensuring appropriate organizational readiness measures are in place (training, tools, etc) to undertake this level of stakeholder engagement

☐ Set up meetings with external stakeholders
  - ☐ Ensure that investor/humanitarian side as relevant is simultaneously socializing idea within their firm - offer to help support this as needed

☐ Formalize contracting phase
  - ☐ Document contracting timeline early on

(4a) Budget and funding

Key learnings

- Engage in budget discussion early on after design and research phase - can serve as early stage gate

- Understand the source of funding from investment partner to pay consultancy contract is critical; i.e. is it grant funding, a technical assistance sleeve, etc.

- Re-confirming financial model viability at this stage is important, ensuring the financing is in place or fundraising is complete to progress project

- Ensure that terms of agreement are documented and sent to investor partner on a regular basis in order to drive forwards conversation

- Confirm budget with multiple counterparts on investor partner side in order to ensure smooth handover processes on longer projects

To-do list

- ☐ Ensure that terms of agreement are documented on both sides

- ☐ Develop timeline for budget early on and align with partner on it
  - ☐ Identify key deliverables that need to be made by certain dates
  - ☐ Ensure that partner has agreed to timeline

- ☐ Hold routine budget discussion meetings with investor / humanitarian partner and internally
  - ☐ Send high-level agenda for series of budget meetings
  - ☐ Obtain budget envelope and needs buy-in from relevant stakeholders in country

- ☐ Document the terms of agreement on an ongoing basis
  - ☐ After each meeting, send summary email of agreements and expectations
  - ☐ Consistently review agreement and document budget gaps until closing of project

(4b) Timeline & operational project planning

Key learnings

- Projects are more likely to be successful if initial scope comes from investors; all investors operate differently when it comes to social impact

- Some investors will want community engagement overview, some investors will want access to conflict/crisis analysis, some investors will want access to/better understanding of refugee/IDP communities & the barriers they face

- Determine key inputs needed from country teams early on and engage intentionally given their bandwidth

- Push for signing the contract early on in the project to help build partner buy-in and momentum

- This phase may come at the same time as design phase

To-do list

- ☐ Discuss initial project parameters with investor / humanitarian partner

- ☐ Iterate on project parameters with relevant country colleagues and ensure it resonates with them throughout the process
  - ☐ Collaborate with country colleagues on roles and responsibilities
  - ☐ Ensure project meets investor needs

- ☐ Align on and sign contract before work begins

- ☐ Take advice from suppliers/contractors on lead times and discuss what the critical path is to be able to meet deadlines

(5) Execution

Key learnings

- Invest time upfront to ensure internal stakeholders (workshop-based) are aligned on the project terms and key questions are addressed early on

- Investor feedback to humanitarians is valuable: leverage reactions, interest, and questions as learnings and document this regularly

- Set routine reflection sessions to ensure that learnings are being codified regularly and can be leveraged quickly when needed

- Connect frequently: hold regular update meetings with contractors and suppliers

- Communications are critical and cannot be understated, a lapse can lead to delays in project delivery

- Be aware of any changes, additions, subtractions, delays

To-do list

☐ Connect in-person, early on, and frequently with partners to ensure alignment on project
   ☐ Plan for in-person trip to launch project if possible
   ☐ Quarterly or long stay visits preferred to get a sense of ecosystem and build trust

☐ The value of a humanitarian partner is to have at least one staff member on the ground
   ☐ To observe and document implementation
   ☐ Most of the advisory will come from this position

☐ Document feedback from investor and humanitarians regularly
   ☐ Hold bilateral calls on an as-needed basis to share feedback and seek to address misalignments as early as possible
   ☐ Organize multi-party calls on a monthly basis to ensure clarity on roles & responsibilities
   ☐ Ensure organizational readiness is in place given complex nature of project management

☐ Build in reflection sessions on learnings throughout the project
   ☐ Identify the key stakeholders who will engage with the Learnings Tool
   ☐ Set up a series of internal workshops every 3 months to fill in the Tool / Playbook and reflect on learnings
   ☐ Ensure that there is a reviewer such as a relevant technical colleague external to the implementation team

(6) Communication

Key learnings

- Invest in press releases - these public commitments can help engage both humanitarian and investor partner

    ‣ Press releases also help refine pitch, which can be critical to gaining momentum

- Strike balance between PR fluff and the ability to share actual learnings/ proof of concept

- Expect that explaining the advisory model will take time and repetition

    ‣ Leverage pilot program to provide concrete example

    ‣ Use pilots' proof of concept to pitch to other investors / for new projects

To-do list

☐ Prepare pitch for various stakeholders, leveraging existing materials

☐ Leverage other partners' networks, such as WEF to release updates on projects through white papers and/or conferences

☐ Ensure humanitarian is involved in investor press releases and vice versa

☐ Push for internal comms on partner's side
   ☐ Ensure that both sides are aware of project
   ☐ Offer to help support partner comms

Questions and case studies

For more information or resources about Advisory Model partnerships, please contact Ellen Brooks Shehata, Ellen.BrooksShehata@rescue.org.

To see our Advisory Model work in action, please visit rescue.org/X

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