



LESSONS LEARNED

Piloting New Partnerships between Humanitarian and Development Actors

Reflections on “Advisory Model” partnership between IRC-EBRD to Support the West Irbid Wastewater Project

For the European Bank for Reconstruction and Development (EBRD), partnership with a humanitarian NGO is a new way of working. The initial commitment to find new ways to partner came during the WEF Global Future Council 2020-2021, where actors from across sectors urged greater collaboration between multilateral development banks and NGOs. IRC and EBRD then established a pilot partnership to support the West Irbid Wastewater Project in Jordan near the Syrian border.

This project, for which EBRD signed a EUR 25m sovereign loan (December 2017) alongside significant grants from the EU (EUR 19.6m), GCF (EUR 2.5m) and EBRD SSF (EUR 5m), will construct wastewater networks in 15 towns to be connected to the nearest wastewater treatment plant. This will benefit both Jordanians and Syrian refugees, who account for 7 per cent of Jordan’s total population, providing urgently needed sewage infrastructure to over 120,000 people in the project area. Through this project, EBRD is piloting an ‘advisory model,’ intended to leverage different, but complementary, skill sets to enhance the impact of the investment. **IRC is providing oversight and advice to EBRD on the project’s community engagement plan**, which is being implemented by a Jordanian NGO, the Royal Scientific Society. These are initial lessons learned from EBRD and IRC’s partnership.

Initial/Ongoing Keys to Success	In Detail
<p>Leveraging complementary skill sets</p>	<p>IRC brings its expertise as a humanitarian agency, having worked with the population of Irbid for over a decade. IRC is involved in all steps of the community engagement plan, including household surveys, focus group discussions, community awareness sessions and outreach to potential beneficiaries. By providing on the ground feedback and response, IRC has already contributed significantly by ensuring household surveys effectively include Syrian refugee views.</p> <p>EBRD brings its skills assessing and structuring wastewater infrastructure investments in Jordan, access to finance, as well as its ability to manage complex stakeholder relationships at scale.</p>
<p>Banker-Humanitarian relationship management</p>	<p>Internal bank teams needed to be convinced of the added value and expertise that an additional NGO partner would bring to the project, when EBRD would normally hire one implementing NGO partner.</p> <p>Once bought in, a strong working relationship between the NGO team and Investor team needs to be established. At the operational level, EBRD and IRC work through any issues with regular discussions, including a monthly tri-partied discussion with the implementing NGO and thorough documentation of meeting agendas, call notes, and verbal agreements. The ongoing collaboration is a valuable and unique example of partnership and shared learning across sectors.</p>
<p>Engagement of senior leadership</p>	<p>Senior leadership relationship management, buy-in, and risk appetite are key enablers to formalizing partnerships. New partnerships result in additional work for busy teams, so management needs to provide clear messaging to, and support for, operational teams.</p>
<p>Investor tolerance of higher risk</p>	<p>The risk rating for investment projects with a humanitarian social impact (and therefore an NGO-DFI partnership) can be higher, therefore investors need to be comfortable with underwriting this risk. However, MDBs follow sound banking principles including assessing the capacity of the Borrower to repay, which in many cases would be the Sovereign in infrastructure projects. This constitutes a strong risk mitigation for credit risk. The key is that the Government to be willing to undertake and support development projects in the humanitarian sector.</p>
<p>MOU signed at the outset</p>	<p>The signing of an MOU between IRC and EBRD enforced the buy-in of senior leadership and enabled the finalization of a formal contract. It is suggested to sign an MOU between partners early on.</p>
<p>In person meetings</p>	<p>In person discussions and workshops are instrumental to developing this new way of working, understanding different partner incentives, and clarifying roles and responsibilities. IRC further emphasizes the importance of having staff time dedicated to investor exploratory conversations to advance the overall objective of partnership development.</p>

Barriers	In Detail
Organizational readiness	<p>When engaging expertise MDBs generally utilize consultancy type contracts, which are less familiar to NGO partners and require them to help design the activity. To scale their ability to work with development and private sector partners, NGOs will have to address organizational readiness constraints related to contracting and budgeting to meet MDB/DFI expectations, in addition to upgrading familiarity with MDB's project processes and Environment and Social policies.</p> <p>Organizational readiness takes effort and patience. The different contracting norms, budgeting, and operating models result in a learning curve. Innovation and attention to these barriers from the part of humanitarian NGOs is recommended to avoid delays.</p>
Stakeholder incentives	<p>Humanitarian NGOs and MDBs, although often working in the same regions, serve different actors in those regions, with NGOs delivering goods and services to communities and individuals and MDBs generally supporting government counterparts in developing infrastructure projects to create new public services or enhance existing services. Communication on middle ground – either entities' social impact goals – is key to overcoming organizational differences.</p>
Measurement	<p>In the case of MDBs, the investment would have to deliver a transition impact in the project catchment area and/or beyond. This transition impact is measured by MDBs at different stages on project implementation. Humanitarians also have measurement methods and metrics. It is important to work together from the onset of the project to align measurement goals.</p> <p>The project team would recommend keeping measurement simple and define goal outcomes at the project level: what does success look like for humanitarians? Investors?</p>
Attrition	<p>New ways of working depend heavily on individuals' buy in, risk tolerance, and effort. Colleagues' departure in both organizations can result in lost institutional memory and delays in contracts, execution of workplan, and deliverables.</p>
Translation	<p>Investors and humanitarians speak different languages, sometimes using the same word to have two different meanings (i.e., finance). It is critical to be clear about the competencies and roles from the onset as the development and private sector often do not have familiarity with the work of humanitarians and vice versa. Buy in from all partners is required to overcome these "language barriers."</p>

As of January 2024, construction on the infrastructure has begun and the IRC-EBRD advisory model partnership is ongoing. Contracted through the end of 2025, IRC's role is to review and provide insight on each deliverables of the community engagement and stakeholder strategy. IRC continues to observe these deliverables' impacts on the community and flag potential opportunities as well as risks to be addressed by EBRD.

Key Observed Outcomes of the 'Advisory Model' for Partners Across Sectors

The IRC is encouraged by this work and moving forward with additional advisory model partnerships. 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.

Here's our two most critical lessons learned to date:

1. Strong relationships based on mutual understanding 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 workplan to be inclusive of Syrian voices.

2. Once proof of concept was demonstrated by IRC in west Irbid, it was easier for other investors to envision IRC's potential advisory role in their own projects. 'Advisory model' project pipeline can be developed by having brainstorm conversations between humanitarian NGOs and MDBs/DFIs to determine overlapping priorities and incentives. Humanitarians interested in working with MDBs would need to regularly monitor new procurement assignments posted by MDBs and apply to them.

See 'Advisory Model Partnership Playbook' for more information: rescue.org/report/advisory-model