

RESILIENCE THROUGH PARTNERSHIP: NGO-DRIVEN PRIVATE SECTOR ENGAGEMENT IN FRAGILE SETTINGS

THE ISSUE

FRAGILITY: THE COST OF INACTION



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At the end of October 2025, the United Nations [reported consolidated funding requirements of \\$45.37 billion](#) for responding to the needs of 181 million targeted people (out of 300 million people in need). The total humanitarian funding for 2025 at that point only reached \$18.64 billion, a 26 per cent reduction compared to the \$25.29 billion that were reached at the same point in 2024. These figures paint a grim picture of the gap between the needs and the resources available to respond to them – with the gap at risk of growing even further due to conflict, climate change, and funding cuts. In addition, in 2024, nearly 80% of humanitarian funding came from only 10 donor governments, leaving the system highly vulnerable to shifts in priorities.

The cuts that hit the sector in 2025 highlighted this fragility and underscored the importance of exploring a range of avenues to build a more resilient and effective system. These should include strengthening coordination with development actors to direct funding towards interventions that support livelihoods in a way that reduces or prevents cycles of need; engaging a diversity of financial stakeholders to contribute to humanitarian outcomes; and investing in innovative solutions that can

increase cost effectiveness and drive impact at scale. In each case, engaging the private sector can be an essential part of the way forward – and NGOs such as the IRC have a key role to play in ensuring such partnerships effectively respond to needs.

PARTNERING WITH PRIVATE SECTOR ACTORS TO SUPPORT RESILIENT LIVELIHOODS

Building and supporting the economic resilience of people and communities in fragile settings can play a key role in preventing or breaking out of cycles of vulnerability in the face of conflict and climate change. As part of the IRC's efforts to support resilient livelihoods in these settings, our teams foster partnerships with a range of actors to strengthen market systems and facilitate the inclusion of crisis-affected communities in them.

Partnerships with the private sector, such as micro-, small-, and medium-sized enterprises, can increase the impact of aid programmes, as well as support longer-term sustainability and the local ownership of activities.

In Chad, for instance, the IRC's engagement with the private sector has created benefits for communities and for private sector market actors themselves, creating jobs and diversifying economies – including through climate-smart activities. Examples of actions in sector such as fisheries, agriculture, and livestock production have included:

- Supplying agricultural inputs to private sector actors, including those looking to implement new practices and develop their businesses;
- Providing technical training on climate-smart agriculture, value chain development, and quality assurance;
- Supporting land restoration initiatives, enterprise development, and business growth planning, particularly for beneficiaries looking to start up businesses;
- Supporting professional development centres in creating and implementing trainings, and in seeking relevant certifications that can facilitate employment opportunities;
- Networking and advocacy with government, financial institutions, and others to encourage investment in climate-smart agricultural practices, infrastructure, land rights, and inclusive and secure workforce development programmes;
- Facilitating the creation of savings and credits groups for value chain actors.

INNOVATIVE FINANCE: WORKING WITH INVESTORS TO ACHIEVE HUMANITARIAN OUTCOMES

The IRC has been exploring a range of innovative finance models, moving beyond traditional grant mechanisms to unlock private investment at scale. The '[Advisory Model](#)' is a concept we have developed with the support of DG ECHO whereby humanitarians use their unique contextual expertise and skillsets to advise investors so that projects achieve stronger social impact. 'Investors' can be multilateral development banks (MDBs), development finance institutions (DFIs), or private sector investors – from startups and venture capital to private equity. The IRC has developed a range of advisory model partnerships in fragile contexts, addressing challenges from wastewater infrastructure to climate financing and economic development.

Building on the experience of advising the European Bank for Reconstruction and Development (EBRD) on a €65 million wastewater infrastructure investment in West Irbid, Jordan, to ensure infrastructures would benefit refugees and displaced people in addition to host communities, we have been applying this model with private sector partners across sectors and countries.

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For example, with Flat6Labs, we are piloting a humanitarian-private sector partnership to launch a unique innovation & entrepreneurship virtual incubation platform focused on startup ecosystem development and capacity building in the Mashreq region. With AquaPoro Ventures, a Jordanian startup developing an innovative water technology to help respond to water scarcity (a water-generating device that produces clean, drinkable water even from dry desert air), we are piloting a 'procurement as investment' pilot, providing IRC operations with a switch to a more effective product while supporting a startup to refine and scale its technology and stimulate innovation in the Jordanian economy.

Mobilising private capital through insurance and outcome-based instruments is another promising avenue. By using insurance as both a financing and risk-transfer mechanism, we can move from reactive, post-crisis appeals to pre-arranged, scalable, and sustainable funding for critical social services – including child protection, services for survivors of violence, and support for displaced populations. This approach mirrors how most non-crisis economies manage risk, creating a stabilising system that can also act as an equaliser for those most exposed to shocks. It opens the door to blended and outcome-based financing models such as social and resilience bonds, that channel private investment toward measurable protection and wellbeing outcomes while rewarding prevention and resilience-building. We are currently structuring such an instrument for gender-based violence (GBV) prevention, tied to the IRC's "[Safe at Home](#)" programme. Under the model, investors provide upfront capital, and outcomes payers repay only if results are achieved – tying returns directly to reductions in GBV. The bond design draws on advisory model principles by embedding humanitarian expertise in how financing is structured and delivered.

A third example is that of an innovative facility we are developing that is aimed at expanding financial inclusion for refugees and displaced populations, with a pilot currently set to take place in Uganda. The facility will work with financial service providers to expand lending to displaced populations, deliver financial literacy training to clients, and align incentives across refugee organisations, donors, and financial institutions. By combining advisory expertise with financial mechanisms, the facility builds directly on the advisory model to unlock lending for groups experiencing vulnerability.



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AIRBEL VENTURES: INVESTING IN PRIVATE COMPANIES TO DRIVE IMPACT AT SCALE

To fully exploit the benefits of private sector engagement, the IRC has also launched our own *Airbel Ventures* fund. This fund will make strategic equity investments in early-stage companies with groundbreaking products and services that we believe can serve the humanitarian sector and the needs of the communities we support. Governed by an Investment Committee of external investors together with an IRC Board, this fund will focus on Africa and the MENA region and aim at supporting start-ups driving financial returns and humanitarian impact. Beyond capital, the IRC will also ensure support post-investment, by providing flexible grant funding to pilot products/services with IRC country programmes, in order to help the companies gather evidence across humanitarian markets and eventually scale.

Our first investment was made in Signalytic, a company which provides solar-powered devices that deliver 97% digital uptime in last-mile health clinics that often have limited access to electricity. The investment strategy focuses on emerging business models that address structural gaps in areas such as climate, economic opportunities, education and health. Examples of models of interest include products and services relating to financial inclusion and market access; Voice AI solutions; and agriculture yield forecasting.

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Although engaging the private sector is not a silver bullet in the face of the growing challenges faced by the humanitarian sector, the initiatives highlighted above underline how exploring innovative ways to work with private sector actors can help us to respond to needs more effectively and sustainably, and how NGOs can play a leading role in fostering and driving such partnerships to maximise their impact for vulnerable communities. These efforts should sit alongside other innovative finance solutions, including [humanitarian debt swaps](#) and development finance partnerships. In an environment where needs are soaring and humanitarian aid budgets shrinking, such approaches will allow us to ensure that the people who need them have access to more support and opportunities.

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