



Alfanar

EVPA Masterclass - The Switchers Talks

6 July 2022

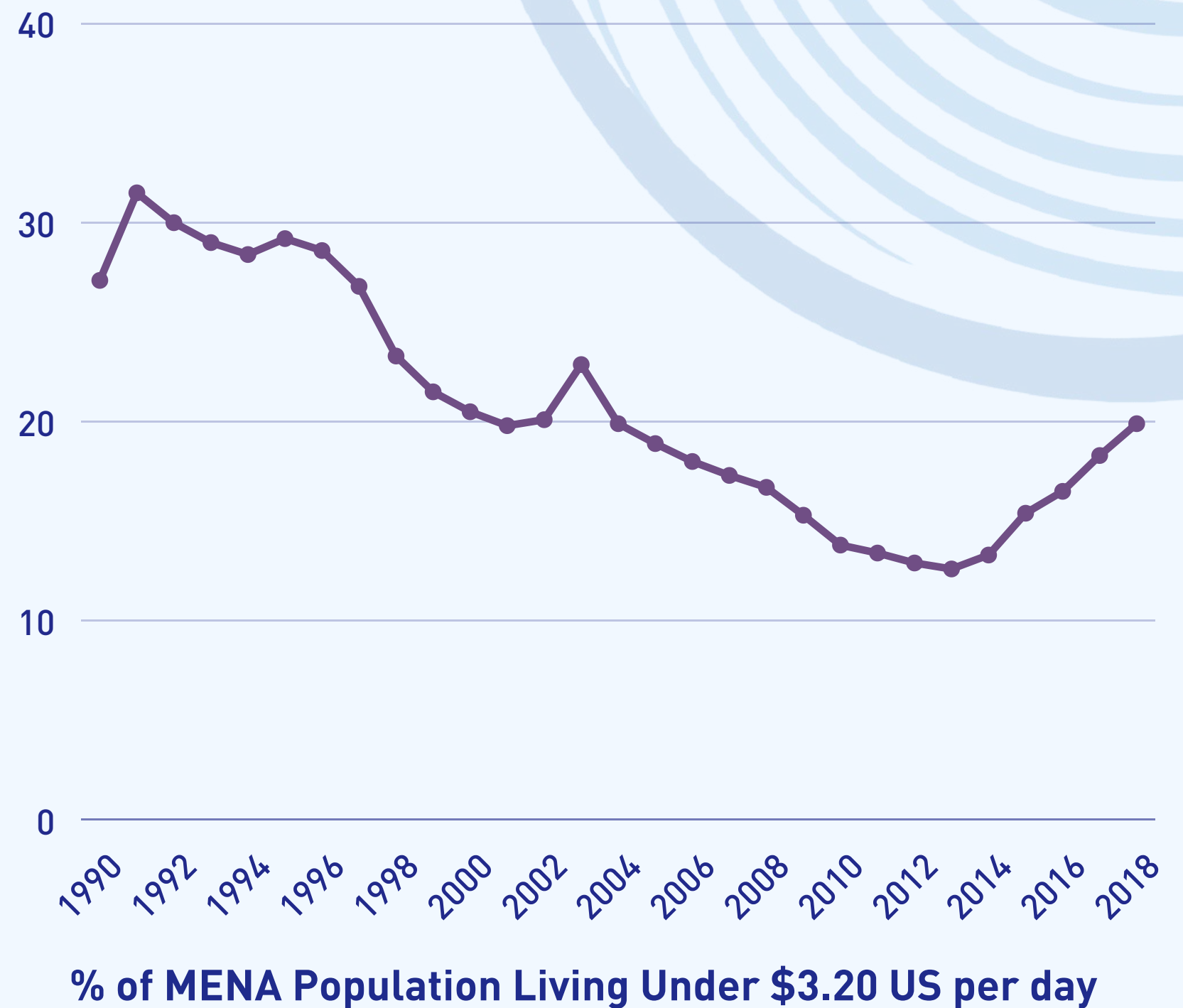


النفار
ALFANAR



POVERTY IN THE MENA REGION

While poverty continues to fall globally, the MENA region is the only region where poverty is rising (defined as living on under \$3.20 a day).





CHALLENGES FACING MENA COMMUNITIES

4 QUALITY EDUCATION



+50% of children suffer from “learning poverty”, meaning they cannot read and understand an age-appropriate text by age 10

8 DECENT WORK AND ECONOMIC GROWTH



Youth unemployment has been the highest in the world for 25 years, reaching 40% in Jordan, 30% in Lebanon and Egypt

5 GENDER EQUALITY



With only 27% of women, on average, working, MENA has the world’s lowest rate of women’s participation in the labour force

10 REDUCED INEQUALITIES



The MENA region has been host to the largest number of refugee and migrants. Refugees living in extreme poverty reached 89% in Lebanon in 2021

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



MENA uses more water than is replenished, undermining agricultural production & threatening human health

- Need to improve education and create dignified employment across Arab world
- Need to shift away from dependency and invest in sustainable solutions that catalyse economic well-being for women, youth and children
- Growing number of social entrepreneurs across MENA need support to grow their innovative responses to these market failures



OUR THEORY OF CHANGE

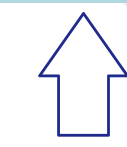
OUR VISION

A strategic, efficient, high impact social sector working to better the Arab world, especially for children, youth and women

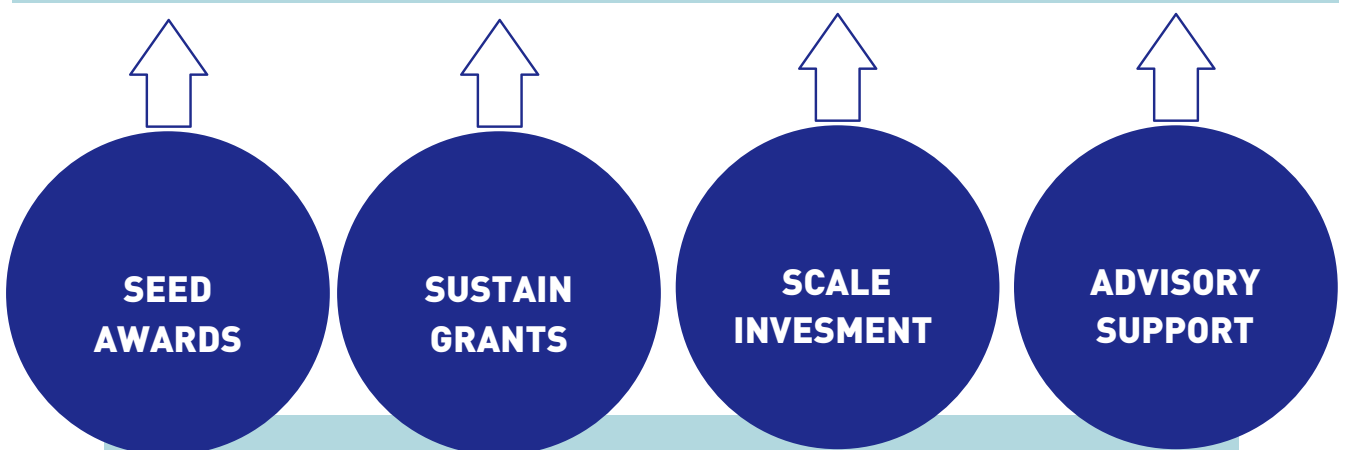


OUR MISSION

Enable the growth of sustainable, scalable social enterprises working to educate, employ and empower vulnerable communities



OUR VENTURE PHILANTHROPY SUPPORT



INDIVIDUALS & INSTITUTIONS

ALFANAR'S IMPACT

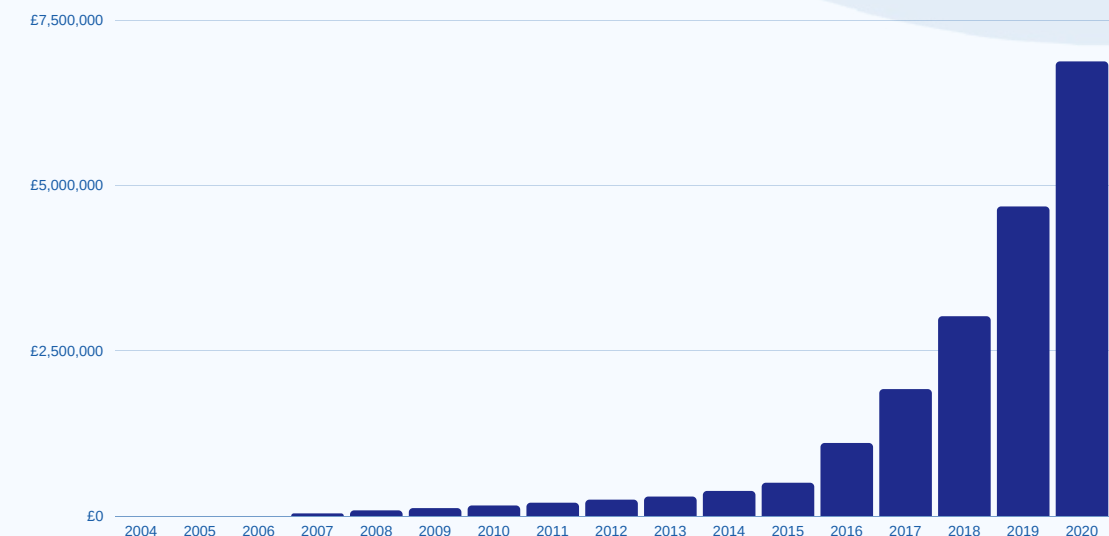
- Alfanoar's social enterprises have improved the lives of over 180,000 individuals
- On average they are recovering 65% of costs
- Since 2015 our VP Support has enabled 52% of the portfolio reaching break-even

40% Lives Impacted
Growth Rate
(CAGR)



On average, Alfanoar's SEs impact 40% more lives in vulnerable communities...

36% Revenue Generation
Growth Rate
(CAGR)



while self-generating 36% more revenue to sustain their impact thanks to our venture philanthropy support.

OUR PROCESS



Tailored Finance

\$300k USD or more in grants, zero-interest loans or equity over 3-5 or more years



Impact Management

Real-time monitoring and evaluation apps, helping SEs to track their performance



Access to Networks

Bringing SEs together and leveraging networks to facilitate relevant introductions



Mentorship

One-to-one mentorship is the real glue to our venture philanthropy support



Business Planning

Three-year business plan, providing a roadmap to sustainable growth



Study Missions

Exposing our SEs to best practices and peers in other countries



Training

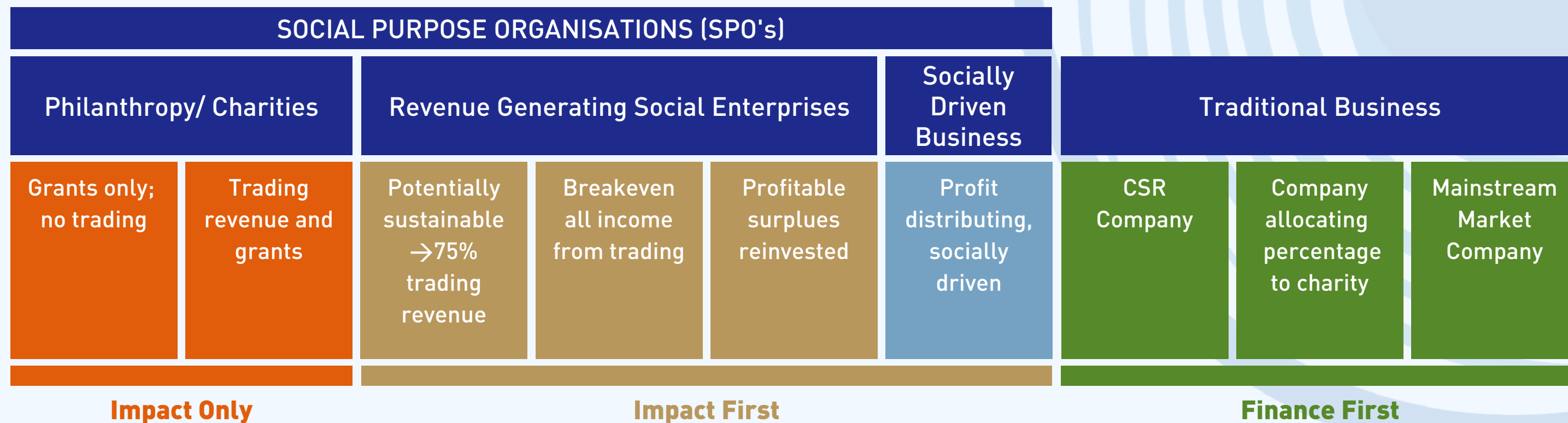
Providing SEs with the knowledge and tools they need to grow sustainably

OUR VENTURE PHILANTHROPY CRITERIA

We support social enterprises that are:

- Improving the lives of disadvantaged children, youth and women;
- Ambitious and entrepreneurial in spirit and drive;
- Working to impact more lives over time;
- Working to increase financial sustainability through sale of goods and services;
- Have a backable CEO and a strong management team;
- Looking for and open to management support, organisational strengthening and capacity-building to grow

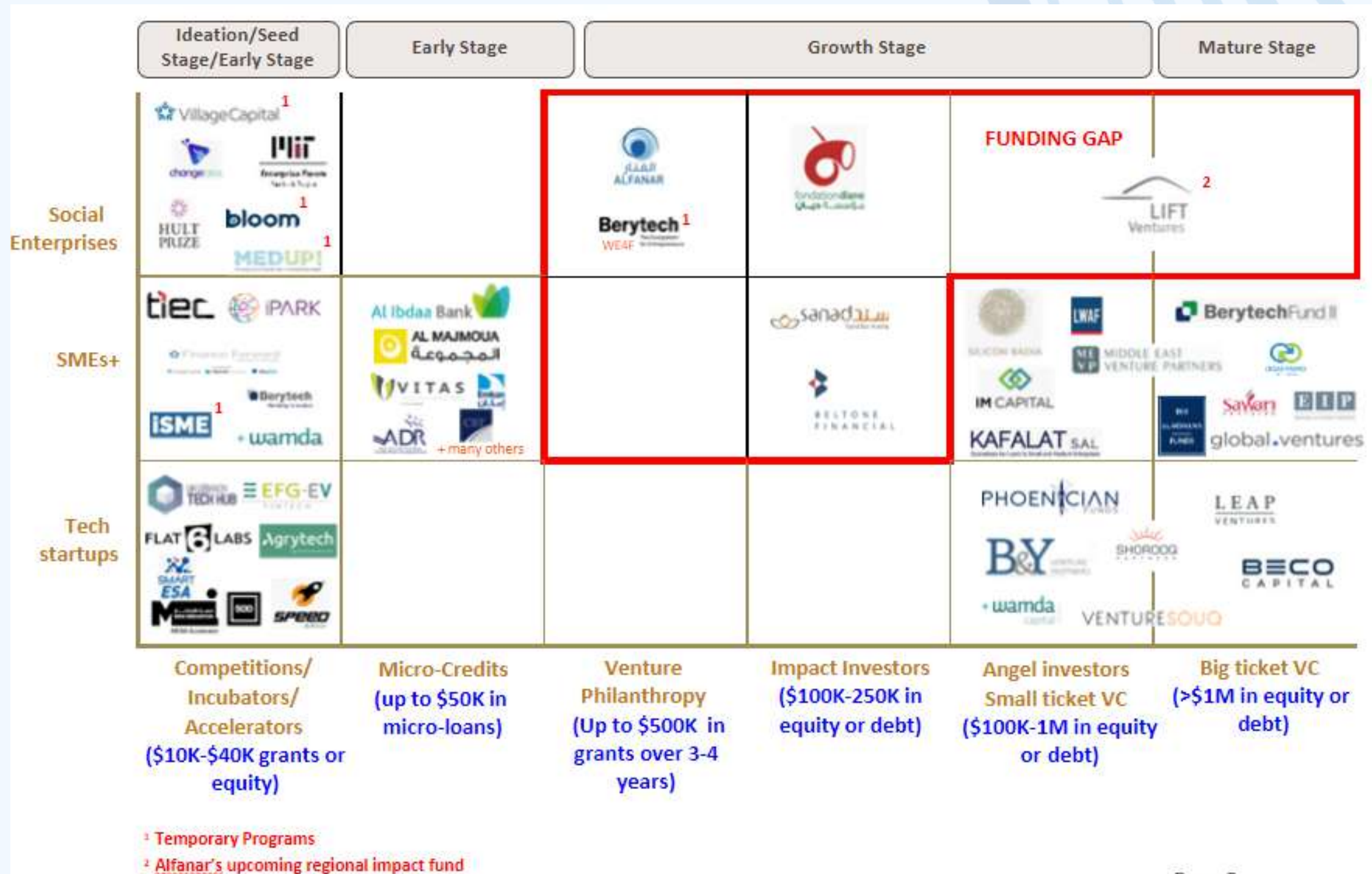
SOCIAL IMPACT SPECTRUM



Alfanar's Impact Investment Fund (LIFT Ventures)

PATIENT CAPITAL

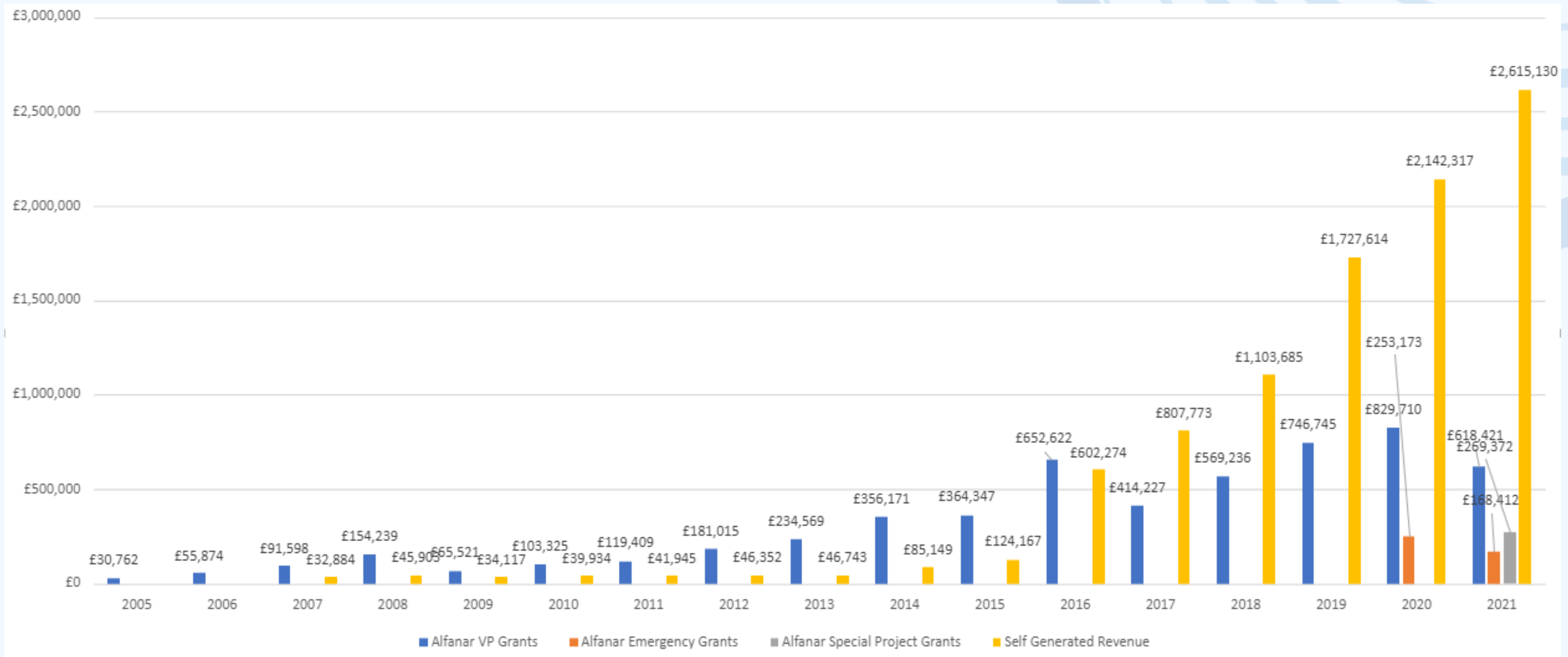
- Alfanar's long-term flexible financing responds to the funding gap for growing social enterprises in the MENA



Note: The chart is not exhaustive.

SUSTAINABILITY

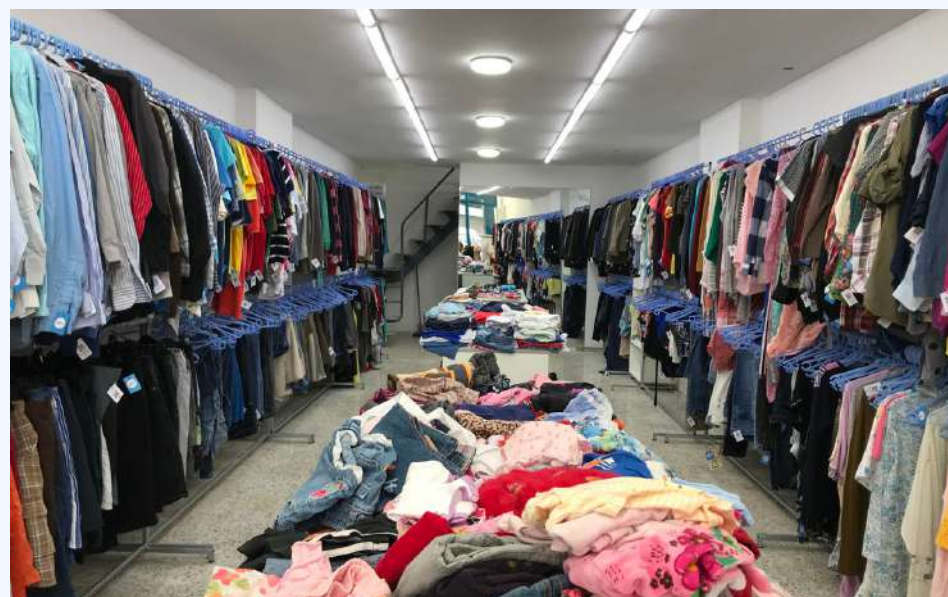
- We leverage philanthropy to drive self-reliance & sustainable change
 - Since 2005, Alfano has made £6m+ in Grants, enabling our SEs to self-generate £9m+ to sustain their social impact



Alfano Grant v Self-Generated Revenue

INNOVATION

- **Selecting Innovative Ideas:**
 - We seek out ambitious social enterprises that are presenting an innovative solution to Education, Employment and Empowerment challenges
- **Supporting Agile Teams and Organisations:**
 - Backable CEOs and mgmt teams who understand that iteration and innovation are required
 - Alfamar moves beyond project-based change to create strong organisations that outlast our investment
- **Encouraging Constant Innovation:**
 - Our one-on-one management support nurtures iteration and adaptation, allowing for failure on the road to success



LOCAL LEADERSHIP

- Supporting backable, ambitious local leaders is critical to the success of our approach
 - Local social entrepreneurs understand the opportunities and challenges of their operating environments
 - They do not scare easily in times of crisis
 - They ensure the long-term leadership needed to make real, systemic, sustainable change possible



DATA-DRIVEN

- **Alfanar Impact Management (AIM) helps social enterprises embed impact management into daily operations**
 - Alfanar develops apps for each social enterprise we support, enabling them to track their progress against impact and revenue targets using a business intelligence platform. This data empowers management teams to react quickly when issues arise, or opportunities need to be seized
- **Alfanar Impact Management (AIM) reduces the transaction cost of reporting**
 - AIM improves efficiency and reduces the burden of reporting for our social enterprises, turning what used to be an obligation into a management and communications tool



82%

of Alfanar SEs say that they benefit from **monitoring and evaluation support and coaching**

75%

of Alfanar SEs say that AIM helps them to **make better management decisions**

CASE STUDY: NATAKALLAM

NaTakallam creates steady employment for refugees as language service providers (tutoring, translation, interpretation) through the gig economy.

After 7 years of Alfanar's venture philanthropy support:

- Expanded steady employment opportunities from 37 refugees to 148 refugees, 53% of which are women
- Increased their cost recovery from 77% to 121%
- Increased their annual revenue from \$114k to \$1m
- Channelled \$1.5m of income to refugees

NaTakallam has grown past solely the Arabic language and is now providing refugees from 8 different countries employment, teaching 7 different languages.





CASE STUDY: FUTURE EVE FOUNDATION

Future Eve Foundation provides micro-loans and vocational training to widows in Egypt, helping them launch their own microenterprises & widow banks.

After 10 years of Alfano's venture philanthropy support:

- Expanded from 222 widow loan recipients in 3 villages to 18,769 widows across 88 villages (99% repayment rate)
- Increased widows' take-home income by 36%
- Increased their cost recovery from 50% to 100%

Alfano completed a business plan with FEF, which aims to expand the investment across Egypt (MENA's largest microfinance market) and scale it to Iraq or Morocco.

ALFANAR'S TEAM & BOARD

Trustees



Lubna S. Olayan
Deputy Chairperson and
CEO, Olayan Financing
Company



Hussain Al Nowais
Chairman,
AlNowais Investments



Samir Assaf
Senior Advisor,
General Atlantic & HSBC



Charlotte Boyle
Chair of UK,
UNHCR



Amjad Bseisu
CEO,
Enquest PLC



Sherif Foda
Chairman and CEO,
National Energy Services
Reunited



Maysa Jalbout
Nonresident Fellow in the
Center for Universal
Education, Brookings



Julia Middleton
Founder,
Common Purpose



Cynthia J. Oakes
Former Salomon Brothers,
Morgan Guaranty Ltd, and
Morgan Stanley

Alfanar Venture Philanthropy



Myrna Atalla
Executive Director



Shenouda Bissada
Egypt Country Director



Kim Issa
Lebanon Country Director



Suha Abdul Rahim
Jordan Country Director



Fadel Zayan
Investment Director



Vanessa Zuabi
Development Director



Mohammed Alradi
Senior Investment Officer



Abrar Mohamed Ali
Operations Officer



Selena Chávez
Admin and Special Projects
Coordinator



Brian Dexter
Finance Manager



Ahmed El Nabarawi
Egypt Finance &
Investment Manager



Freddie Fleischmann-Allen
Development Officer



Sally Gindy
Monitoring & Evaluation
Officer



Reya Kanaan
Lebanon Portfolio Manager



Nadine Khalife
Egypt Portfolio Officer



Haifa Najjar
Lebanon Portfolio Manager

Impact Investment Fund



Amine Goraieb
Partner & Fund Manager



Michelle Mouracade
Partner, COO & Impact
Manager

Thank You!