



# Alfanar's Communication on Engagement

Period covered by this Communication on Engagement:

August 2019 – August 2021





**ALFANAR**  
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## **Part I. Statement of Continued Support by the Chief Executive or Equivalent**

Thursday, 26 August 2021

To our Stakeholders:

As Alfanar's Executive Director, I am pleased to reaffirm our commitment to the ten principles of the UN Global Compact Network with respect to human rights, labour, environment, and anti-corruption. Since we made our commitment two years ago, we have made it clear to our stakeholders and the public that we support the principles of the UN Global Compact Network.

For the past seventeen years, Alfanar has responded to growing poverty and inequality by supporting the growth of social enterprises creating education and empowerment for women, children, youth and refugees in vulnerable communities in the Middle East. By uniting philanthropic capital from individuals and institutions, and distributing it strategically, we help social enterprises grow their impact and sustainability in order to address some of the most urgent social challenges facing the region.

In this Communication of Engagement, we describe the actions and outcomes that our organisation has undertaken in support of the UN Global Compact and its principles over the past two years. We welcome feedback on its content.

Sincerely yours,

Myrna Atalla

Executive Director

## **Part II: Description of Actions**

In the past two years, we have participated in and supported the principles of the UN Global Compact Network in the following ways:

**a) Supporting the UN Sustainable Development Goals (SDGs) through investment in social enterprises working to reduce poverty, create education and empower women, youth and refugees:**

- Alfanar has contributed to the furtherance of SDG's 1 (No Poverty), 4 (Quality Education), 5 (Gender Equality) and 8 (Decent Work and Economic Growth) through venture philanthropy support to social enterprises working in these critical areas, by providing funding, training, impact analysis and management support to help such organisations grow their social impact and become more financially sustainable.
- Between August 2019 to August 2021, we have invested a total of £2,662,967 in grants and technical support to 22 social enterprises in Egypt and Lebanon.

**b) Partnering with and supporting social enterprises and private companies to become sustainable, as well as measuring their social impact with respect to job creation, equality, and education:**

- We partnered with social enterprises and corporations outside of our core portfolio to provide them with management support, data analysis services and training.
- We developed the Alfanar Impact Management (AIM) service, through which we support social enterprises to measure their impact and evaluate their progress with regard to social impact targets and financial sustainability. We work with each organisation individually to develop bespoke impact dashboards, providing real-time analytics on financial performance and social impact.
- We deployed our ten-part training curriculum--the Alfanar Sustainable Social Enterprise Training (ASSET)--to social enterprises in our venture philanthropy portfolio and more widely to businesses and nonprofits. Areas of training include Intro to Social Enterprise, Theory of Change, Impact Modelling, Impact Measurement, Financial Management, Internal Governance, Legal Structures, Communications for Results, Business Planning and Options for Scaling. Our training has proved highly effective in helping social enterprises to strengthen their organisations and improve their sustainability.

**c) By being completely transparent, and putting in place anti-corruption and anti-discriminatory procedures when it comes to dealing with other individuals or organisations:**

- Public accountability and transparency are core priorities. Each year Alfanar publishes fully audited accounts at [www.alfanar.org/reports](http://www.alfanar.org/reports) to verify all financial transactions throughout the year and maintain full financial transparency.
- We developed and implemented policies around Anti-Fraud, Bribery and Corruption and Anti-Money Laundering (among others), which Alfanar's staff, consultants, partners and social enterprises must comply with.



### Part III: Measurement of Outcomes

**a) Supporting the sustainable development goals (SDGs) through investment in social enterprises to reduce poverty and empower women:**

- Our venture philanthropy support enabled our portfolio of social enterprises to self-generate over £2 million in revenue, while impacting 41,633 lives in 2020 alone.
- Over the span of Alfanar's venture philanthropy support, our social enterprises were able to grow their impact by 37% and self-generate 38% more revenue (CAGR).
- Social enterprises in Alfanar's portfolio achieved an average cost recovery rate of 55%.
- We supported SDG 4 (Quality Education) by investing in 8 social enterprises providing quality education to children and refugees in the Middle East, providing educational opportunities to 12,151 children, youth and refugees.
- We supported SDG 5 (Gender Equality) by investing in 16 social enterprises, providing training, employment and economic opportunities to 11,009 women in Lebanon and Egypt. Of 17 social enterprises in Alfanar's portfolio, 12 are women-led.
- We supported SDG 8 (Decent Work and Economic Growth) by encouraging economic development through social entrepreneurship, creating 9,687 jobs.
- Despite the challenges of COVID-19 and the August 4<sup>th</sup> Beirut blast, we remained focused on our goals by supporting our social enterprises to respond to crisis and adapt digitally. We gave a series of crisis management trainings to social enterprises impacted by the explosion, supporting them to find new avenues for sales and exports.

**b) Partnering with and supporting social enterprises and private companies to become sustainable, as well as measuring their social impact with respect to job creation, equality, and education:**

- We developed impact dashboards for 15 social enterprises, helping beneficiaries to better measure their social impact in real time. 91% of Alfanar investees say that they have benefitted from Alfanar's monitoring and evaluation support and coaching, and 82% of them say that AIM helps them to make better management decisions.
- In total, we trained 99 social enterprises in Egypt, Lebanon, and Jordan on the Alfanar Sustainable Social Enterprise Training (ASSET) programme.

**d) By being completely transparent, and putting in place anti-corruption and anti-discriminatory procedures when it comes to dealing with other individuals or organizations:**

- We published fully audited accounts on our website for 2019 and 2020.
- All of Alfanar's directors, trustees, employees and consultants must read, understand and comply with safeguarding policies around Anti-Fraud, Bribery and Corruption, Anti-Money Laundering, Child Protection, Grievance, Whistleblowing and Anti-Harassment and Bullying.
- We conduct extensive due diligence on all grantee social enterprises and require that all investees to adhere to Alfanar's anti-corruption policies.
- In addition to training on Governance best practices, we have added safeguarding training to our suite of ASSET curriculum topics delivered to social enterprises.

# Turning Social Investment into Sustainable Impact

## Alfanar UK

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## Alfanar Lebanon

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## Trustees

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Lubna S. Olayan (Chair)  
Samir Assaf  
Amjad Bseisu  
Charlotte Boyle  
Sherif Foda  
Maysa Jalbout  
Dr Laila Iskander  
Julia Middleton  
Cynthia J. Oakes

## Senior Management Team

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Myrna Atalla (Executive Director)  
Fadel Zayan (Investment Director)  
Vanessa Zuabi (Development Director)  
Shenouda Bissada (Egypt Country Director)  
Michelle Mouracade (Lebanon Country Director)

[www.alfanar.org](http://www.alfanar.org)

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