



Alfanar Communication on Engagement (COE)

Period covered by this Communication on Engagement:

August 2021 – August 2023





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Part I. Statement of Continued Support by the Chief Executive or Equivale

H.E. Antonio Guterres

Secretary-General
United Nations
New York, NY 10017

Thursday, 24 August 2023

Dear Mr. Secretary General,

I am pleased to reaffirm our support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. Since we pledged our commitment four years ago, we have upheld our commitment to the principles of the UN Global Compact Network and have effectively conveyed our support with our stakeholders and the wider public.

As the Arab World's first venture philanthropy organization, Alfanar has educated, employed and empowered 328,357 of the Arab world's most vulnerable through social entrepreneurship. Over the course of 19 years, we have consistently adapted our response to meet the region's needs in education, inequality, unemployment and environmental challenges (SDGs 4, 5, 8, 10, 12) and thus have recently introduced into our strategy three growth packages:

- **Seed:** Awards, accelerated training and business planning (6-8 months)
- **Sustain:** Grants and zero-interest loans, high-engagement management support and customised impact analysis (3-5 years)
- **Scale:** Impact investment or social franchising support, technical assistance and access to networks

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

- By partnering and backing social enterprises and private companies in their journey towards sustainability, while also assessing and measuring their social impact with respect to job creation, equality, and education;
- Promoting the sustainable development goals (SDGs) through investment in social enterprises to reduce poverty and empower women;
- Through transparency, and putting in place anti-corruption and anti-discriminatory procedures when it comes to dealing with other individuals or organizations;

Our work is made possible thanks to our pool of generous supporters whose philanthropic capital we distribute strategically amongst our portfolio of social enterprises.

Alfanar is proud to empower enterprise for social change and strongly believes in its capacity to generate enduring impact that will resonate for generations to come. With this conviction at heart, we are incredibly excited to be renewing our commitment to the Global Compact Network.

Yours Sincerely,

Myrna Atalla
Executive director

Part II: Description of Actions

These past two years, we have backed 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 advancement of SDG's 4 (Quality Education), 5 (Gender Equality), 8 (Decent Work and Economic Growth), 10 (Reduced Inequalities) and 12 (Responsible Consumption and Production through venture philanthropy support to social enterprises operating in this critical spaces, by providing funding, training, impact analysis, management support and network opportunities to help such organisations expand their social impact and achieve greater financial sustainability.
- Between August 2021 to August 2023, we invested a total of £2,738,651 in grants and technical support in our Seed and Sustain cycles to 53 social enterprises in Egypt, Lebanon, Jordan and Palestine.

b) Engaging in partnership with social enterprises and private companies to promote sustainability, alongside measuring their social impact with respect to job creation, equality, and education:

- By partnering with social enterprises and corporations beyond our primary portfolio, we provided them with management support, data analysis services and training.
- By developing 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 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 £6,709,773 in revenue while impacting 157,738 lives.
- Over the span of our venture philanthropy support, on average our social enterprises were able to grow their impact by 39% and self-generate 39% more revenue (CAGR).
- Social enterprises in Alfanar's portfolio achieved an average cost recovery rate of 65% between 2021-2023.
- We supported SDG 4 (Quality Education) by investing in 14 social enterprises providing educational opportunities to 8,182 children, youth and refugees.
- We supported SDG 5 (Gender Equality) and SDG 10 (Reduce Inequalities) by investing in 29 social enterprises, providing training, employment and economic opportunities to 6,204 women in Lebanon, Egypt, Jordan and Palestine. Of the 53 social enterprises in Alfanar's portfolio, 51% are women led.
- We supported SDG 8 (Decent Work and Economic Growth) by encouraging economic development through social entrepreneurship, creating 1,119 dignified jobs for disadvantaged youth in the region.
- We supported SDG 12 (Responsible Consumption and Production) by investing in 10 social enterprises creating social and environmental impact locally and regionally.

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. 85% of Alfanar investees say that they have benefitted from Alfanar's monitoring and evaluation support and coaching, and 75% of them say that AIM helps them to make better management decisions.
- In total, we trained 132 social enterprises in Egypt, Lebanon, Jordan and Palestine on the Alfanar Sustainable Social Enterprise Training (ASSET).

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 2020 and 2021.
- 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.

Empower Enterprise for Social Change

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Senior Management Team

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Shenouda Bissada- Egypt Country Director
Maya Rahal- Lebanon Country Director
Suha Abdul Rahim- Jordan Country Director

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