



STICHTING ALFANAR - POLICY PLAN

2025 – 2028

Name: Stichting Alfanar

Legal Form: Dutch Foundation (Stichting)

Registered Office: The Hague, The Netherlands

Chamber of Commerce (KvK): 88110834

Financial Year: 1 January – 31 December

Stichting Alfanar is part of the wider Alfanar Venture Philanthropy network operating across the Arab region. The Foundation is established exclusively for public benefit purposes and does not pursue profit.

1. PURPOSE AND MAIN ACTIVITIES

Vision: To build a thriving impact economy in the Arab world—where locally-led social enterprises drive inclusive growth, resilience, and long-term systemic change.

Mission: Alfanar is the Arab world's first venture philanthropy organisation—established to fund, support, and scale high-impact social enterprises tackling the region's most urgent challenges. We invest where it's hardest and where it matters most, combining catalytic capital with deep, hands-on support to amplify both social impact and financial sustainability.

Strategic Objectives

Stichting Alfanar's aim is to catalyse sustainable impact and financial sustainability in partner organisations through long-term financial and non-financial support. Its key objectives are:

- Strengthen social enterprises that address socioeconomic challenges (education, employment, women's economic empowerment, climate resilience and heritage) across the Arab region (Egypt, Lebanon, Jordan, Palestine)
- Enable social enterprises to increase impact while improving their self-generated revenue and long-term financial sustainability. By pairing capital with expertise and



ongoing support, Alfanar helps reduce beneficiaries' dependency on external aid and fosters locally rooted solutions for social change.

Core Activities

In order to achieve these objectives, the foundation undertakes the following core activities:

- **Providing grants and investment support:** to selected social enterprises that show potential for scalable solutions to the region's structural challenges.
- **Technical assistance:**
 - **Technical assistance and capacity building**, including business planning, governance support and training.
 - **Hands-on management support** via dedicated portfolio managers to improve operations and sustainability.
- **Impact Monitoring & evaluation** to drive performance improvement and evidence-based decision-making.
- **Facilitating access to networks**, markets and additional funding for social entrepreneurs.

These activities directly support the foundation's objective of building an impact economy that reduces poverty and enhances opportunity for disadvantaged communities.

Core Venture Philanthropy Model

Alfanar applies the tools of private investment to social good—offering support beyond funding. This helps social enterprises build viable business models that multiply every dollar of support into long-term, locally-owned impact.





Stichting Alfano operates on an annual cycle aligned to its planning and grants cycles. Key periods include:

- **Annual application and funding cycles** for SEED and SUSTAIN support tiers.
- **Ongoing capacity building and management support** throughout grant periods (which typically span multiple years).
- **Impact measurement and reporting** on an annual basis, including annual impact and financial reports.

2. THEMATIC FOCUS AREAS

Learning: Education and up-skilling models that build critical skills at all stages to prepare learners for productive and fulfilled lives (early childhood, K–12 and vocational training)

Contribution to Objective: Improves human capital, employability and long-term economic participation, particularly in fragile contexts.

Earning: Supporting employment platforms, digital tools, microfinance and job placement initiatives.

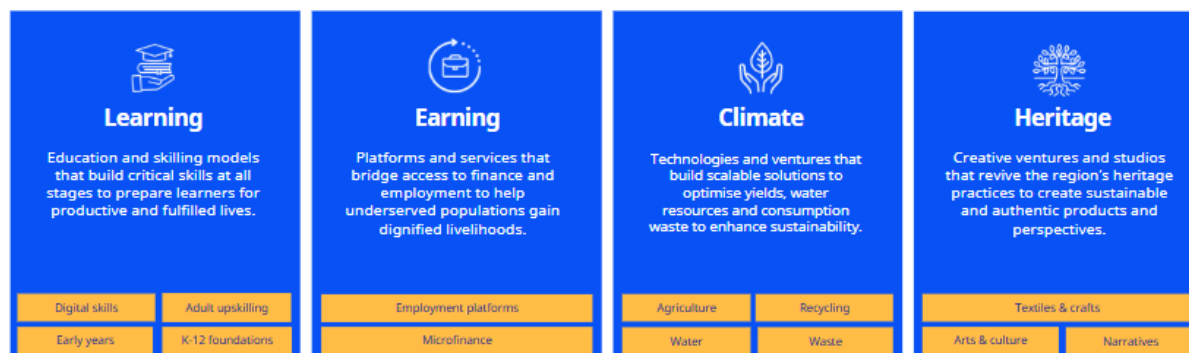
Contribution to Objective: Directly advances economic self-reliance and reduces poverty, especially among women and youth.

Climate: Supporting water-tech, recycling, circular economy and green enterprise models.

Contribution to Objective: Promotes environmental sustainability and climate resilience in one of the world’s most climate-vulnerable regions.

Heritage: Reviving endangered crafts and cultural industries as viable income sources.

Contribution to Objective: Preserves cultural identity while creating dignified livelihoods.





3. INCOME AND REVENUE

Key elements of Stichting Alfano's current income are grants from foundations and institutional donors. These are tied to specific programmes, which is mostly restricted funding.

The Foundation expects to generate future income primarily through:

- Institutional grants
- Philanthropic foundations
- Corporate partnerships
- International donors
- Potential private donors

This could include restricted income (earmarked for specific projects/themes/countries) as well as unrestricted income (general support).

Income Diversification Target

The Foundation aims to:

- Maintain a balanced mix of institutional and philanthropic funding;
- Increase unrestricted funding to support core operations;
- Avoid structural dependency on a single funding source;
- Ensure that no private individual or entity can exert decisive influence inconsistent with public benefit purposes.

Projected Income Overview (EUR)

Year	Restricted Income	Unrestricted Income	Total Projected Income
2025	€ 1.13m	€ 0.03m	€ 1.16m
2026	€ 1.47m	€ 0.09m	€ 1.56m
2027	€ 1.8m	€ 0.15m	€ 1.95m
2028	€ 2.5m	€ 0.19m	€ 2.69m



Income is recognised on a **calendar year basis** (31 December) and supports both direct funding to Social Enterprises and operational costs (staff, governance and fundraising activities).

4. EXPENDITURES POLICY AND MANAGEMENT OF FUNDS

The Foundation aims to spend its funds efficiently and proportionately in pursuit of its statutory objective.

The majority of funds will be spent on direct support to social enterprises and programme delivery. This includes:

- Programme grants to social enterprises;
- Technical assistance and capacity building;
- Monitoring, evaluation and impact measurement;

In addition, some income will be allocated to the following activities which are integral to delivering high-impact venture philanthropy. These will remain reasonable and proportionate to programme scale:

- Governance and Compliance costs
- Necessary administrative and operational costs (staff, governance, support services).
- Responsible fundraising expenses, such as events, outreach and donor engagement.

Projected Expenditure Overview (EUR)

Year	Programme Expenditure	Operational Costs	Fundraising Costs	Total Expenditure
2025	€ 0.6m	€ 0.01m	€ -	€ 0.61m
2026	€ 1.73m	€ 0.14m	€ -	€ 1.87m
2027	€ 1.65m	€ 0.15m	€ 0.05m	€ 1.85m
2028	€ 2.1m	€ 0.19m	€ 0.05m	€ 2.34m

Management of funds



Stichting Alfano's trustees and finance team oversee budgeting, financial controls and approval of spending in line with donor restrictions and organisational priorities. Funds are allocated against annual budgets and longer-term multi-year commitments to social enterprises. Decisions on expenditure are taken to maximise social impact while maintaining financial sustainability.

Restricted funds are tracked separately and used specifically for the purposes defined by donors or grant agreements. Unrestricted funds are used to support core activities and organisational development.

5. MANAGEMENT OF ASSETS

Asset management principles

The Foundation manages its assets prudently and conservatively. Assets will:

- Be held primarily in bank accounts with regulated financial institutions;
- Remain liquid to meet grant funding commitments and operational needs;
- Be segregated between restricted and unrestricted funds to ensure donor intentions are met.
- Reserves are closely monitored and managed to ensure 6 months of unrestricted reserves are kept
- Annual reporting and audit processes to confirm asset valuations, liabilities, and reserves.

In addition, and as per regulatory requirements, assets will be:

- Used exclusively for public benefit;
- Not available for private benefit;
- Held only insofar as reasonably necessary for the organisation's objectives

Financial governance & oversight

Assets are monitored by the board and audited annually to ensure compliance with accounting standards, legal requirements, and best practice in nonprofit financial management. Trustees are responsible for ensuring that assets are used to further the organisation's charitable objects and preserved as necessary for future commitments.

Regulatory compliance

As per regulatory requirements, assets will be:



6. RESERVES POLICY

Purpose of Holding Reserves

Stichting Alfanoar holds reserves solely to ensure the continuity and effective delivery of its statutory public benefit objectives. Reserves are maintained at a level that is:

- Necessary to manage fluctuations in income;
- Sufficient to meet multi-year programme commitments;
- Appropriate to manage operational and international risks;
- Compliant with ANBI regulations regarding proportional asset accumulation.

The Board ensures that assets are not accumulated beyond what is reasonably required for the organisation's activities.

Definition of Reserves

Reserves consist of:

- General reserve;
- Board-designated reserves

Funds subject to external restrictions (bestemmingsfondsen) and endowment capital are not considered freely available reserves.

Reserves are determined on the basis of the annual financial statements prepared under applicable Dutch accounting standards.

Target Level of Reserves

The Board has established a target reserve level of: €50k equivalent to approximately 6 months of operating expenditure.

This level reflects:

- The predictability and concentration of income;
- Multi-year programme obligations;
- Liquidity of assets;
- Identified financial risks;
- Reasonable continuity or restructuring needs.

The Board considers this level proportionate and compliant.

Monitoring and Use of Reserves



Reserves are reviewed at least quarterly by the Board and formally reassessed during the annual budgeting process.

If reserves exceed the target level, the Board will allocate surplus funds within a reasonable timeframe to advance the foundation's statutory objectives.

If reserves fall materially below target, the Board will implement measures to restore financial stability.

7. GOVERNANCE & MANAGEMENT

The Board is responsible for:

- Approving strategy and budgets;
- Overseeing financial management;
- Ensuring compliance with ANBI requirements;
- Safeguarding the Foundation's assets;
- Approving annual financial statements.

The Foundation prepares annual financial statements in accordance with Dutch applicable accounting standards for non-profit organisations.

8. REMUNERATION POLICY

Board members serve without remuneration but may receive reimbursement for reasonable, documented expenses.

Staff compensation will be market-based and reasonable within the non-profit sector.