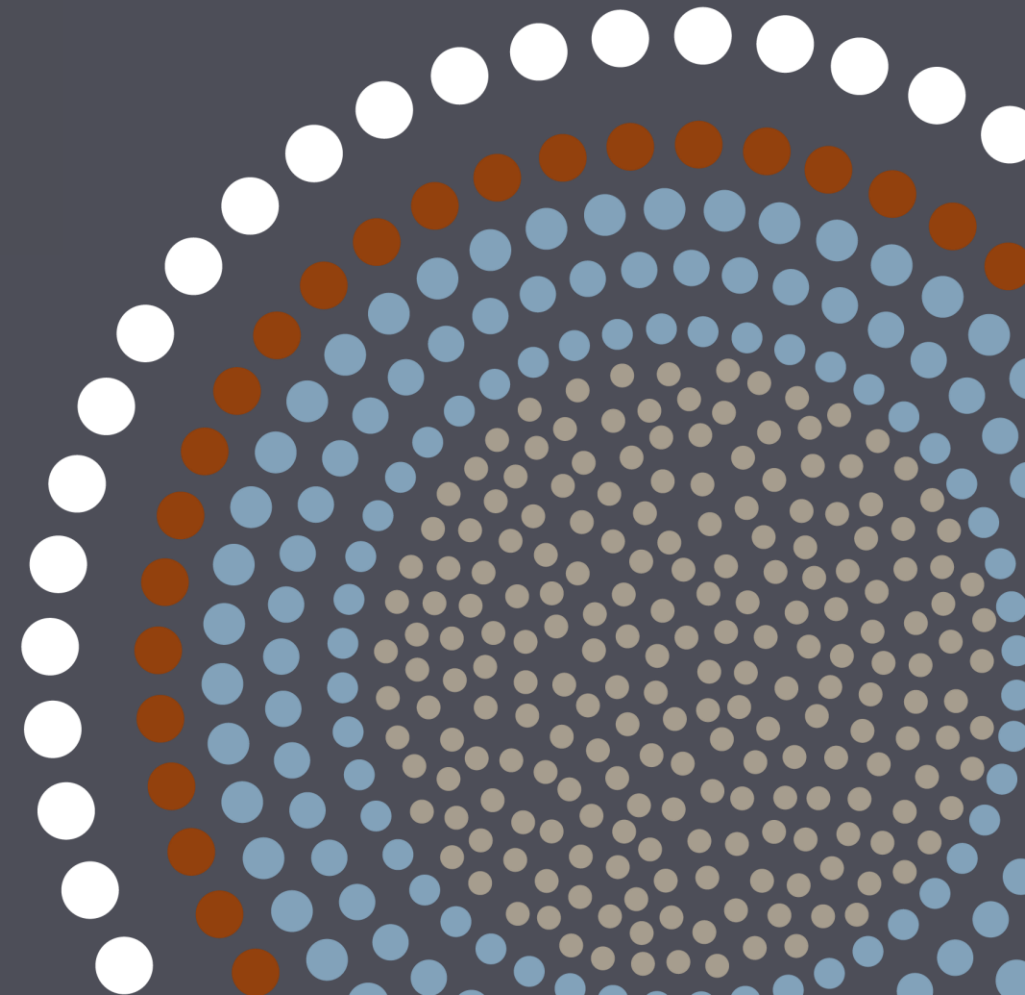


**Results-Based  
Financing  
Forum 2023**



# Fragility, Forced Displacement and RBF

Swati Sachdeva, Urban Specialist, GPRBA  
Ibrahim Ali Khan, Consultant, GPRBA





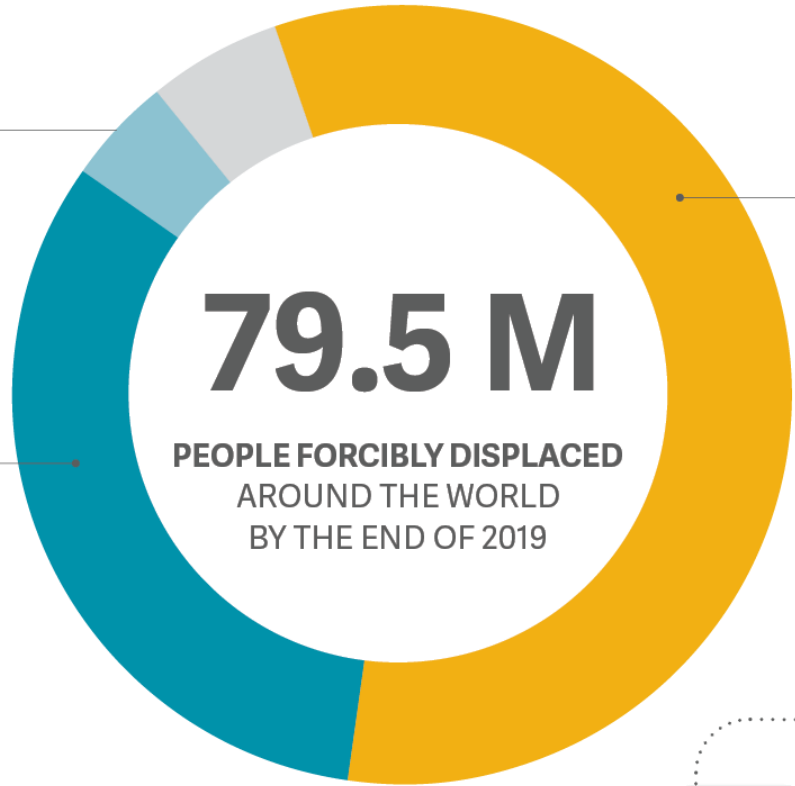
# Forced displacement is increasingly urbanized and protracted

**3.5 M**  
ASYLUM SEEKERS<sup>1</sup>

**26 M**  
REFUGEES

**60%**

OF REFUGEEES  
LIVE IN  
URBAN AREAS<sup>2</sup>



**45.7 M**  
INTERNALLY DISPLACED PERSONS



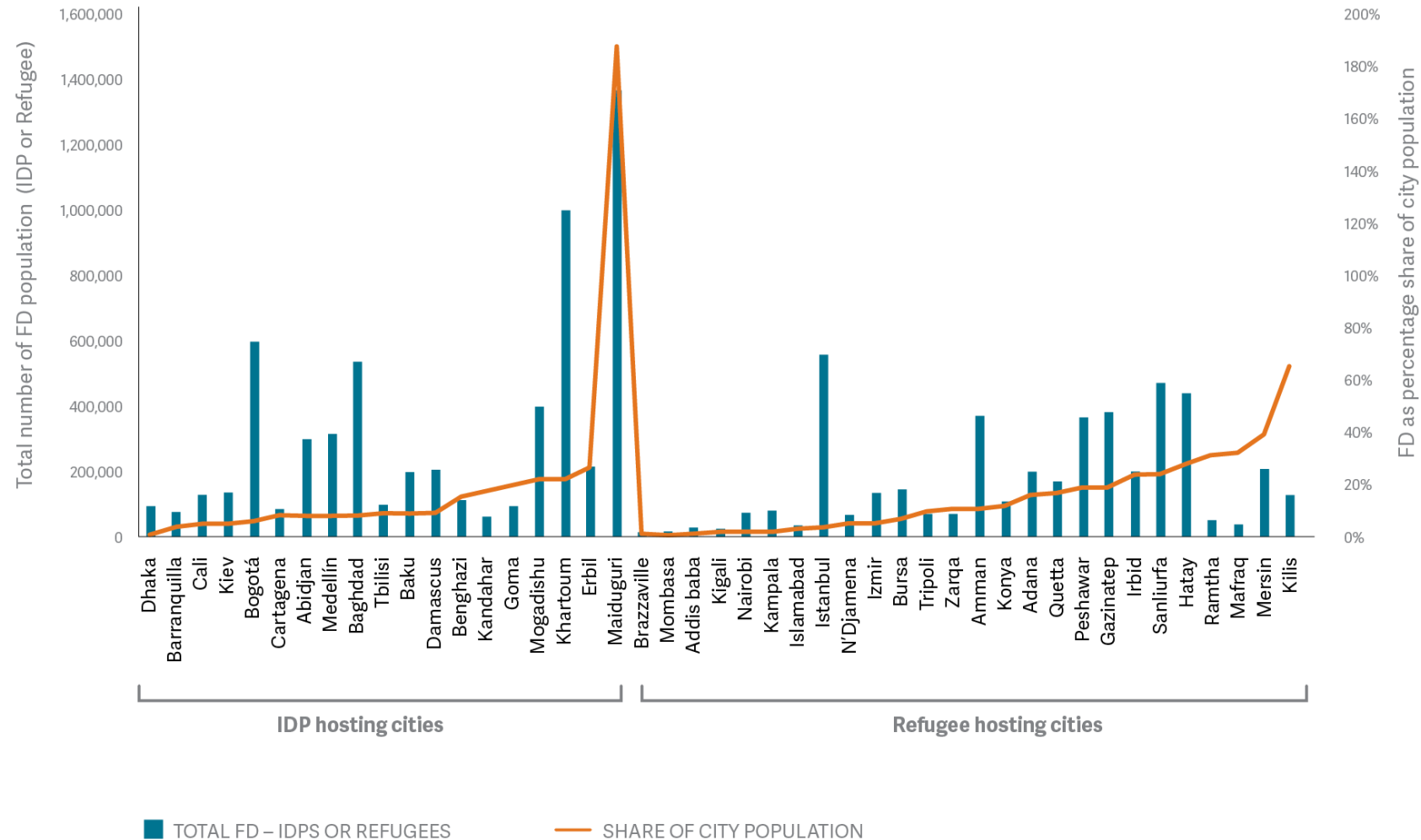
**50%**  
OF INTERNALLY  
DISPLACED PERSONS  
LIVE IN URBAN AREAS<sup>3</sup>



More than half of world's population live in urban areas today, and this is projected to increase to **68% by 2050.**

# The impact can be significant for some cities

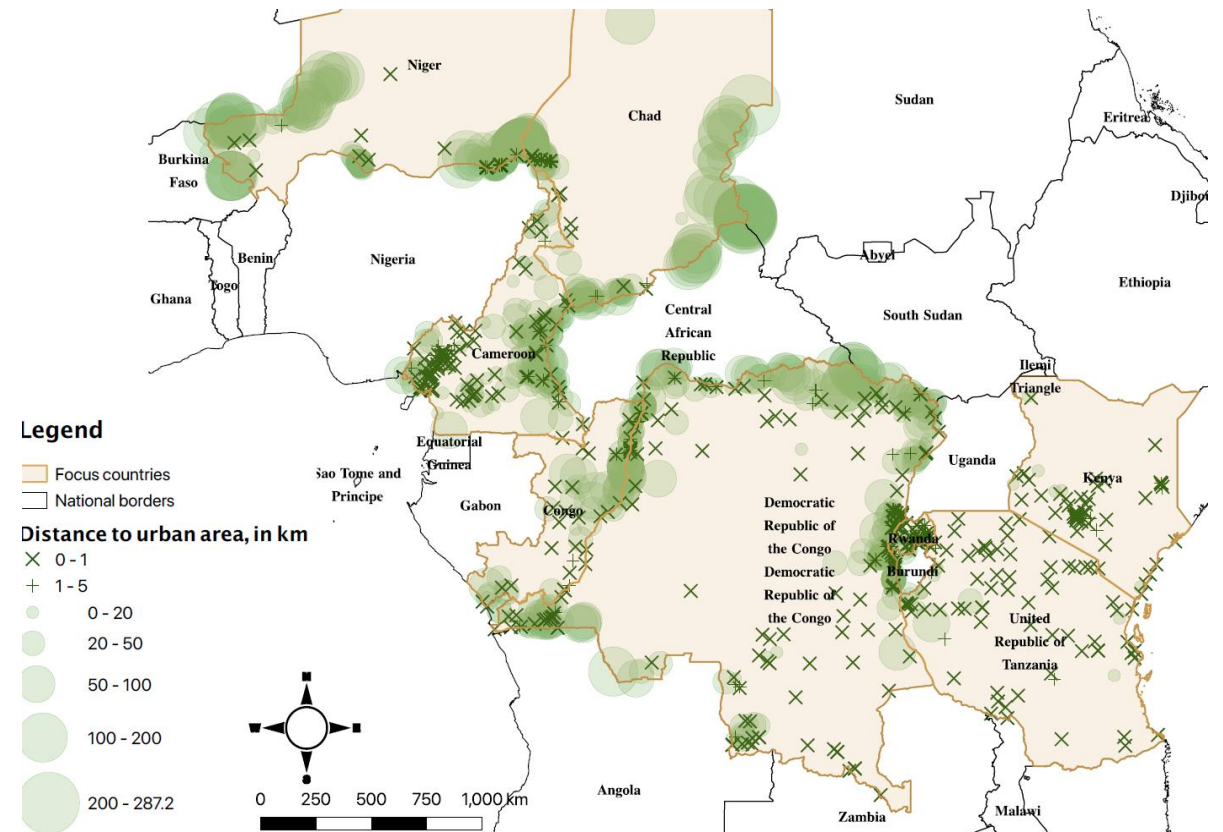
## Share of forcibly displaced in IDP and refugee hosting cities



(Source: IDP data from IDMC (2016); Refugee data from UNHCR, ProGRES, WUP and Jordan DOS.)

# Cities can be affected by camps nearby

- **Cities and towns are not immune to the impacts of camps and settlements, especially in countries with a history of long-established camps.** Most location hosting forcibly displaced have impact beyond the city boundaries, notably through the interventions of external actors.
- A majority of camps in Africa are located within 5 kilometers of an urban area, with an average distance by road of 48 km.
- In Kenya, Tanzania, and DRC, GDP per hectare along the road between cities and forcibly displaced location was found to be significantly higher in places where there are larger numbers of displaced.



Recent data from Cameroon, Chad, Congo (B.), Congo (K.), Kenya, Niger, Rwanda and Tanzania, indicates that forcibly displaced locate themselves closer to urban areas, most within a kilometer from an urban area.

1. Most of the forcibly displaced move within their country, while remaining cross one or more border.
2. Refugee-hosting countries are typically the neighbors of countries of origin.
3. Cities are entry-points for both conflict and for hosting the forcibly displaced.
4. In refugee and IDP hosting countries, the forcibly displaced tend to concentrate in particular cities.
5. Movement of forcibly displaced people to urban areas is pendular. Since the onset of conflict, forcibly displaced may move multiple times and often back and forth.
6. Forced displacements are increasingly not in camp settings but rather more dispersed throughout rural and urban areas



Credits: Caritas 2010



Credits: UNHCR

# Challenges of UFD are distinct from those in rural or camp-like settings...

1. Urban areas have significant existing networks of

- infrastructure and services
- job markets
- land markets
- complex social dynamics
- institutions that manage services

2. Physical footprint of the displaced can have spatial impacts that could profoundly alter the ways in which cities grow in the future.

3. Interventions have broader impacts and cannot be planned/implemented in isolation as in rural areas or camp-like settings.

# UFD faces multi-faceted challenges.

## 1. Spatial implications:

- Urban displaced people are hard to capture as they're "hidden".
- UFD changes urban form through densification or sprawls.

## 2. Physical implications:

- Costly & difficult to expand/extend networked services.
- Unknown duration of - questions of 'over' of 'under' investment.

## 3. Economic implications:

- Stress on what is often an already strained local economy.

## 4. Social implications:

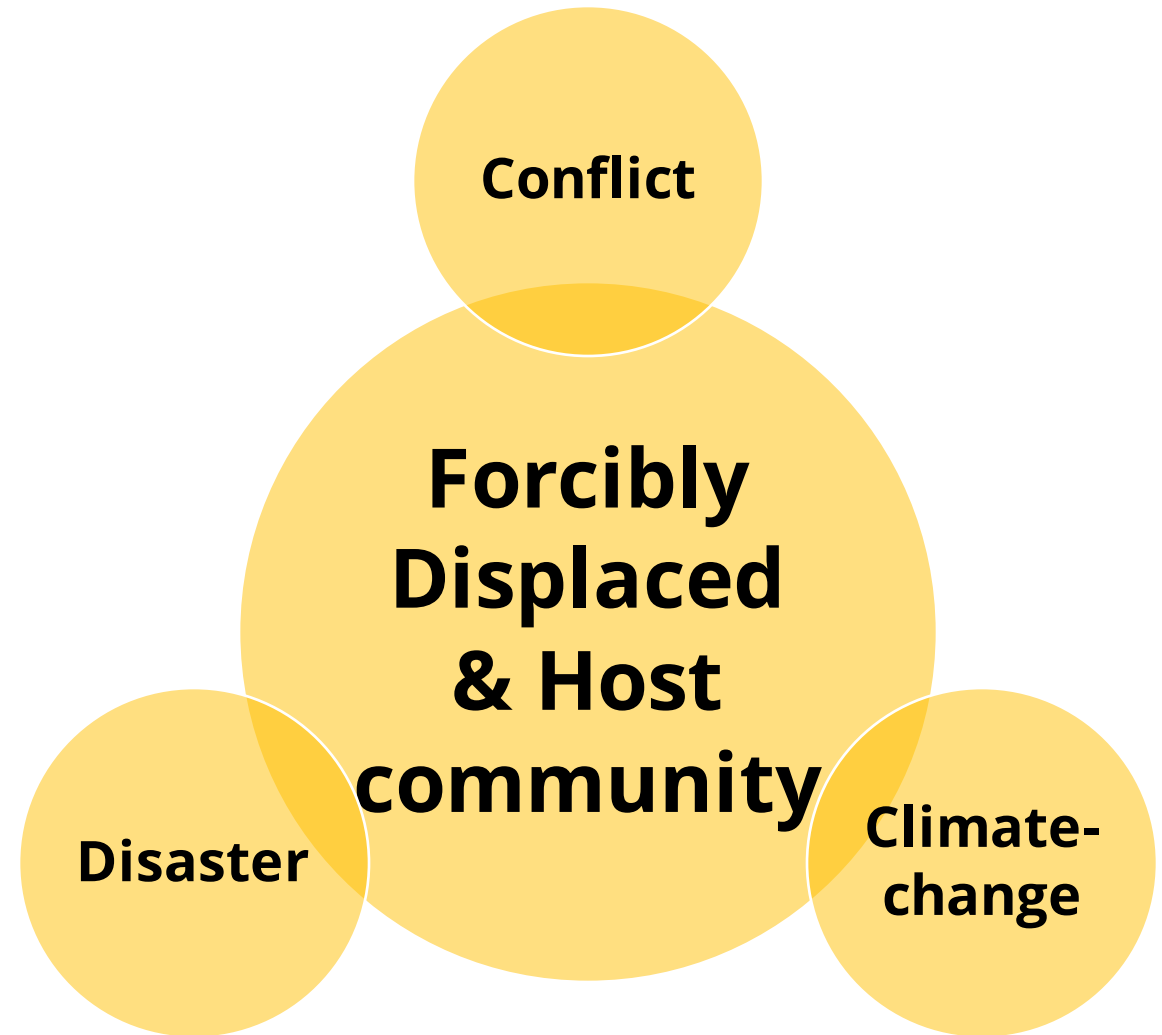
- Tensions between the displaced and the host communities over limited services, jobs, security, xenophobia, etc.

## 5. Institutional implications:

- Lack of capacity, particularly in local government and utility providers to cope with the rapidly changing situation.



**Vulnerability of  
forcibly displaced  
population due to  
multiple crises  
overlap with existing  
challenges of host city  
and host community**



## Increased pressure on infrastructure and municipal services due to the influx

In **Lebanon**, the fiscal cost of the Syrian conflict on infrastructure over the period 2012-14, is estimated at USD589 million, while USD1.1 billion would be required for stabilization, including USD258 million for current spending. The cash-strapped and under-capacitated local and municipal governments and establishments are severely impacted by the crisis as they now extend basic services and tend to the immediate needs of both refugees and host communities.

## Influx of the displaced adds significant fiscal strain on local governments.



In **Jordan**, municipal sector alone would need \$203 million (in 2016-2018) to cope with the crisis and the refugee crisis in Amman has contributed to an 83 percent increase in public debt. Even when costs seem small, for a local government, they may constitute a large proportion of their budget.

# Gender and Urban Forced Displacement

- Women, children and older people make up a greater proportion of the urban displaced
- Multilocality a coping strategy. Women and children fleeing conflict areas first and men staying behind to protect homes and other assets.
- Higher eviction rates for displaced women across multiple contexts. Exploitation and harassment by landlords.
- Inadequate housing makes women and girls vulnerable to GBV
- Internally displaced women tend to have more difficulty accessing health services and worse health outcomes.
- Women become active in labor markets as a result of displacement and conflict
- **Importance of safe housing and livelihood options for women as foundational and housing/livelihood/mobility as the holy trinity**

# Forced displacement to cities and towns also necessitates different responses than conventional urbanization.



## **SPEED**

The *speed* of demographic change that accompanies forced displacement requires a much quicker response – politically, physically, and financially – than governments are usually accustomed to and are capable of.



## **SCALE**

The *scale* of the inflow may upend the urban system in ways that authorities had never envisioned and are seldom prepared for.



## **FLUIDITY**

The *fluidity* of the situation i.e.- uncertainty about the length of the displaced people's stay in host cities, and their transient nature as they move within cities or between cities, makes it difficult to determine whether to respond with short-term humanitarian measures or more longer-term development measures.



## **VULNERABILITY**

The potential differences in the types and levels of *vulnerability* of the displaced, compared to the urban poor and economic migrants, requires different responses. The forcibly displaced often arrive in cities with limited capital, assets, skills for urban livelihood, necessary identification documents or social support networks. They are further challenged by socio-political stigma and deep psychosocial trauma.

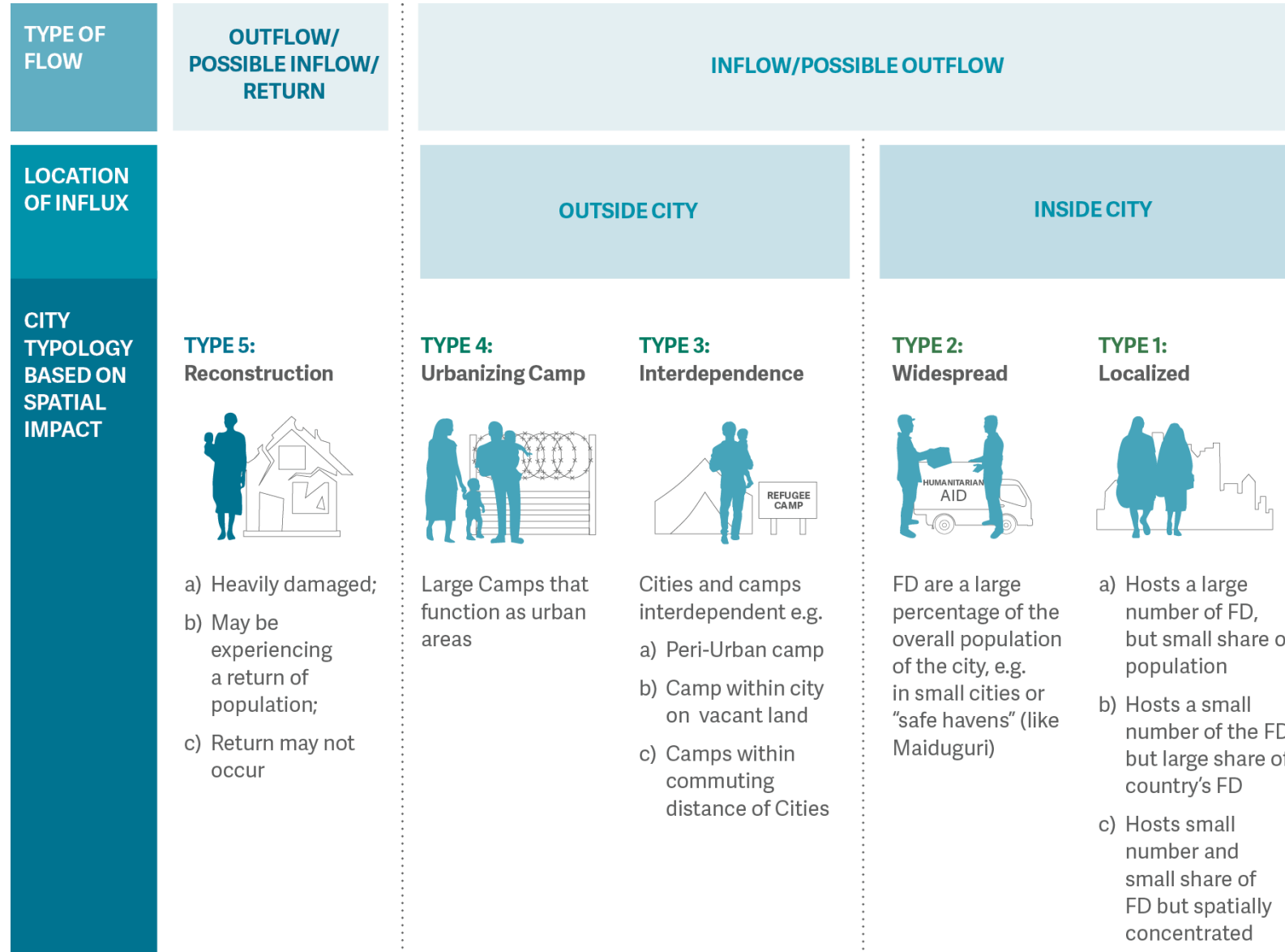
Yet there is no coherent approach in addressing the operational impacts of forced displacement on cities and towns.

# this calls for a “People-in-Place” Approach



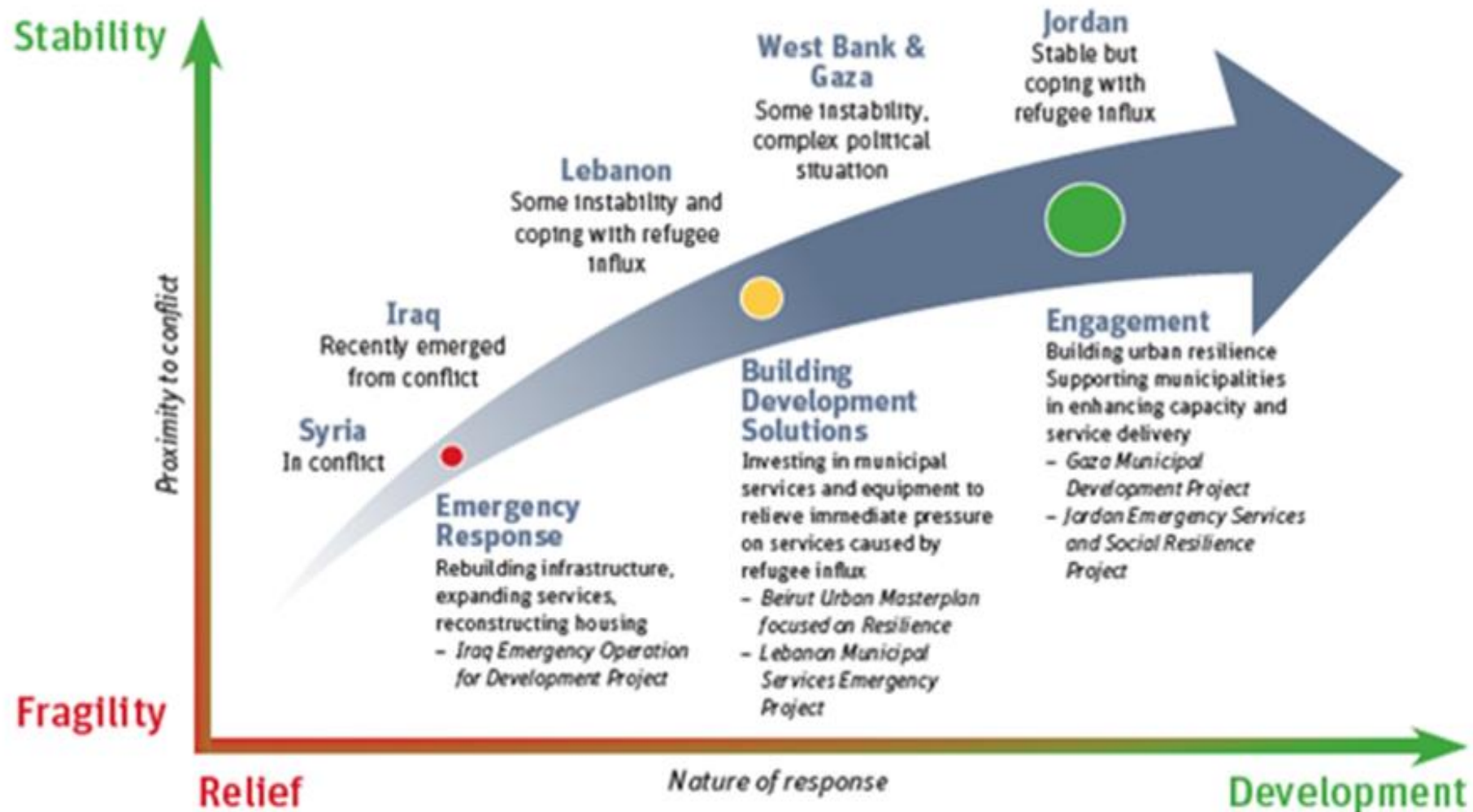
	PEOPLE-BASED APPROACH	PLACE-BASED APPROACH	PEOPLE-IN-PLACE APPROACH
Focus	Focus on the needs of the <b>people</b> – usually the forcibly displaced.	Focus on <b>places</b> impacted by forced displacement, including on managing institutions. Leverages their existing systems and capacities.	Focus on both the <b>people</b> – i.e. forcibly displaced and hosts – and the <b>places</b> where they are located, and institutions managing <b>place</b> .
Interventions	Targeted interventions depending on the needs and vulnerability of different groups of <b>people</b> , including individuals and households, e.g. social safety net, livelihoods support, emergency service provision.	Targeted interventions on improving infrastructure, services, land management in <b>places</b> affected by the inflow, e.g. urban upgrading, network extensions/expansions. Targeted interventions on institutions that manage <b>places</b> , e.g. capacity building, planning, procurement, financial management (FM).	Targeted interventions for vulnerable <b>people</b> regardless of status in the <b>place</b> where they are located, e.g. safety nets, livelihoods support, coupled with provision of services in <b>places</b> to the vulnerable, and extension of services across city. Target interventions to institutions managing <b>places</b> , e.g. capacity, planning, procurement.
Suitable Context	Support for displaced in camps. “Place” or “Space” blind. Relies on status identification & monitoring. Benefits/ interventions move with people.	Support for cities, towns, districts that host the displaced. Interventions are “status blind” in that they benefit all people who live in an affected area regardless of whether they are FD or hosts. Benefits/ interventions fixed in place.	Support for the displaced, host communities, and institutions in cities/ towns. Accepts “status” but extends benefits to “vulnerable hosts” and also to <b>place</b> .

# Different types of cities require different types of interventions



# Interventions need to adapt to shifting needs over time

## A Development-oriented Approach to Urban Displacement



# Interventions need to adapt to different types of displaced

The forcibly displaced are not homogenous and have distinct needs. Even among broader forcibly displaced populations, there are many differences, and each may face a unique set of challenges.





# Interventions need to be holistic across 5 dimensions

## A. SPATIAL DIMENSION

- Physical Planning: urban and land use
- Development Planning across host and displaced communities
- Hazard mapping
- Land Inventory/Land Information Systems
- Addressing Tenure Security

## B. INFRASTRUCTURE, SERVICES & LAND DIMENSION

- Provision of ID Cards
- Land and housing provision
- Improving Living Conditions (upgrading, CDD)
- Infrastructure extension
- Capacity building of service providers
- Subsidies for housing (e.g., vouchers or cash transfer grants for reconstruction)
- Service access
- Access to schools
- Curriculum considerations including language
- Mental health programs
- Access to health services

## E. INSTITUTIONAL DIMENSION

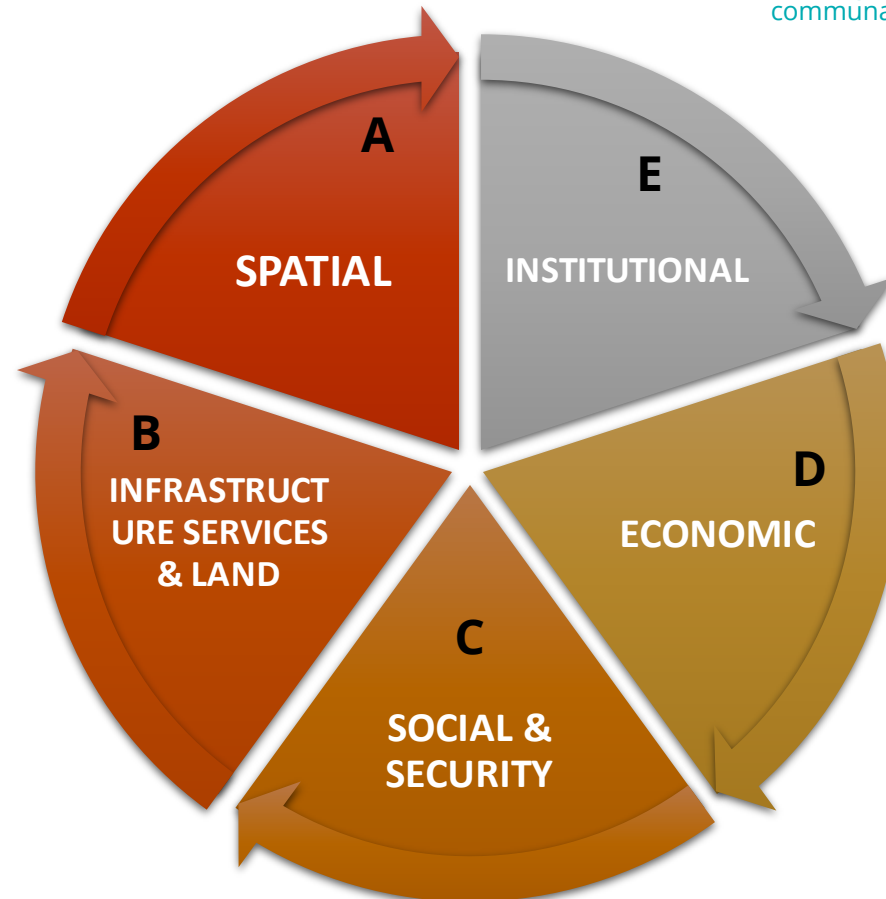
- Strengthening local capacity for financial management, budgeting, revenue generation management and accountability, monitoring
- Clarify inter-gov. relations including functional responsibilities
- Increase financial assistance for local govt where appropriate (including review of allocations)
- Training in participatory governance, management of inter-communal tensions,

## D. ECONOMIC DIMENSION

- Individual Opportunities: Job creation
- Support for informal economy
- Access to Finance
- Labor-intensive works programs
- Skills training linked to reconstruction (e.g., train masons, builders in housing reconstruction)
- Linkages to city economy
- Improved local business environment
- Support for business infrastructure

## C. SOCIAL AND SECURITY DIMENSION

- Participatory gov.
- Support and social protection to the vulnerable (e.g., cash transfers)
- Legal aid and empowerment
- ID Cards to access services
- Access to Food
- Set up Peace Groups
- Adapt criminal justice system (interpreters, police, judges)
- Violence prevention (interpreters, at risk youth targeted intervention)
- Invest in streetlights and other design options for 'safer cities'
- Testing host community resilience



Context (especially national policies e.g., on IDs, Work permits, Political acceptance etc.) significantly affects design of interventions.

**Social Inclusion is key!**

# Examples of people and place-based interventions

DIMENSIONS	<u>PEOPLE</u> BASED APPROACH	<u>PLACE</u> BASED APPROACH
<b>Spatial</b>	<ul style="list-style-type: none"> <li>• Land inventory</li> <li>• Participatory approaches in urban and land use planning</li> <li>• Participatory governance – one stop shops</li> </ul>	<ul style="list-style-type: none"> <li>• Special governance regimes for organized industrial zones/parks</li> <li>• Long term urban and land use planning (incl. data collection)</li> <li>• Planning of services and infrastructure for displaced</li> <li>• Mapping of hazard area; growth area</li> </ul>
<b>Infrastructure, services &amp; Land</b>	<ul style="list-style-type: none"> <li>• ID cards for refugees/IDPs so they can access/receive services/assistances</li> <li>• Tenure security</li> <li>• Access to schools</li> <li>• Access to health service</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of land and housing/shelters</li> <li>• Slum upgrading</li> <li>• Infrastructure development/urban investments in infrastructure and services</li> <li>• Determination of service deficiencies .</li> <li>• Constructions of school and health facilities</li> </ul>
<b>Social &amp; security</b>	<ul style="list-style-type: none"> <li>• Access to legal aid</li> <li>• Participatory governance</li> <li>• Support to social protection</li> <li>• Public security system adapted to newcomers</li> <li>• Access to police and justice</li> <li>• Violence interpreters</li> <li>• At risk youth targeted interventions (e.g. livelihood training)</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty assessments, and subsequent use in design of interventions</li> <li>• Understanding community relationships</li> <li>• Safer cities programming (e.g. city infrastructure, space, transport, lightening, CEPTED)</li> <li>• Testing host community resilience</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Enterprise support and financing, investment facilitation and promotion</li> <li>• Financial incentives targeted to priority industries or sectors</li> <li>• Skills support/vocational training</li> </ul>	<ul style="list-style-type: none"> <li>• Institution and regulation (e.g. streamlined business licensing)</li> <li>• Infrastructure and land (e.g. business friendly zoning and land-use policies, streamlined business licensing, free or subsidized land or office space for priority industries )</li> </ul>
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Participatory urban, land use and investment planning, project design, procurement, financial management, monitoring, and operation and maintenance (O&amp;M)</li> <li>• Citizen service centres and e-governance initiatives for social accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Increased finance assistance for local governments</li> <li>• Strengthening local government capacities</li> <li>• Improved inter-governmental relations</li> </ul>

# Key Messages

1. Forced displacement is increasingly urbanized and protracted.
2. Addressing urban forced displacement (UFD) requires a new approach – a "People-in-Place" approach.
3. UFD faces challenges that require interventions in 5 dimensions – spatial, physical, economic, social and institutional – which are interrelated.
4. To operationalize the People-in-Place approach, interventions will need to be adapted to: (i) shifting needs over time; (ii) different types of cities; and (iii) different types of displaced people

# **GPRBA** experience in fragility

# GPRBA's experience in challenging contexts

- **14** RBF projects in FCS contexts
- **\$65** million in grants

## SOLID WASTE MANAGEMENT

Gaza  
Liberia  
Nepal  
West Bank



## HEALTH

Yemen



## ENERGY

Liberia  
Mali  
Myanmar  
Nepal  
Philippines  
Solomon Islands



## WATER

Burkina  
Faso



## LAND ADMINISTRATION

West Bank  
and Gaza



# GPRBA's support for the SWM sector in Yemen

- More than eight years into the war, the hardships faced by the Yemeni people are extreme.
- The conflict has displaced more than 4.3 million civilians from areas of active conflict to relatively safer urban areas
- Proposed GPRBA grant of \$6.6 million GPRBA grant will facilitate city-wide improvements in SWM services in Aden, Mukalla and Sana'a
- The project will use an RBF mechanism to **improve user fee collection and waste services and will supply the necessary equipment to do so**



# Reasons for successful Implementation



Focus on basic services



Participatory approach



Simple and flexible design



Alignment with existing institutions and systems



Parallel capacity building measures



Pragmatic targeting

# Applying GPRBA's FCV Experience to Urban Forced Displacement

Targeting previously excluded groups

Complement ongoing World Bank operations

Collaborative partnerships

Institutionalize actions

Community participation



Potential **RBF**  
**opportunities** to tackle  
forced displacement

# Additional examples of people and place-based interventions that can utilize RBF

DIMENSIONS	<u>PEOPLE</u> BASED APPROACH	<u>PLACE</u> BASED APPROACH
<b>Spatial</b>	<ul style="list-style-type: none"> <li>• Land inventory</li> <li>• Participatory approaches in urban and land use planning</li> <li>• Participatory governance – one stop shops</li> </ul>	<ul style="list-style-type: none"> <li>• Special governance regimes for organized industrial zones/parks</li> <li>• Long term urban and land use planning (incl. data collection)</li> <li>• <b>Planning of services and infrastructure for displaced</b></li> <li>• Mapping of hazard area; growth area</li> </ul>
<b>Infrastructure, services &amp; Land</b>	<ul style="list-style-type: none"> <li>• ID cards for refugees/IDPs so they can access/receive services/assistances</li> <li>• <b>Tenure security</b></li> <li>• <b>Access to schools</b></li> <li>• <b>Access to health service</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Provision of land and housing/shelters</b></li> <li>• <b>Slum upgrading</b></li> <li>• <b>Infrastructure development/urban investments in infrastructure and services</b></li> <li>• Determination of service deficiencies .</li> <li>• <b>Constructions of school and health facilities</b></li> </ul>
<b>Social &amp; security</b>	<ul style="list-style-type: none"> <li>• Access to legal aid</li> <li>• Participatory governance</li> <li>• Support to social protection</li> <li>• Public security system adapted to newcomers</li> <li>• Access to police and justice</li> <li>• Violence interpreters</li> <li>• <b>Inclusive education curriculum</b></li> <li>• <b>At risk youth targeted interventions (e.g. livelihood training)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Poverty assessments, and subsequent use in design of interventions</li> <li>• Understanding community relationships</li> <li>• Safer cities programming (e.g. city infrastructure, space, transport, lightening, CEPTED)</li> <li>• Testing host community resilience</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• <b>Enterprise support and financing, investment facilitation and promotion</b></li> <li>• <b>Financial incentives targeted to priority industries or sectors</b></li> <li>• <b>Skills support/vocational training</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Institution and regulation (e.g. streamlined business licensing)</b></li> <li>• <b>Infrastructure and land (e.g. business friendly zoning and land-use policies, streamlined business licensing, free or subsidized land or office space for priority industries )</b></li> </ul>
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Participatory urban, land use and investment planning, project design, procurement, financial management, monitoring, and operation and maintenance (O&amp;M)</li> <li>• Citizen service centres and e-governance initiatives for social accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Increased finance assistance for local governments</li> <li>• <b>Strengthening local government capacities</b></li> <li>• Improved inter-governmental relations</li> </ul>

# Examples of potential RBF interventions

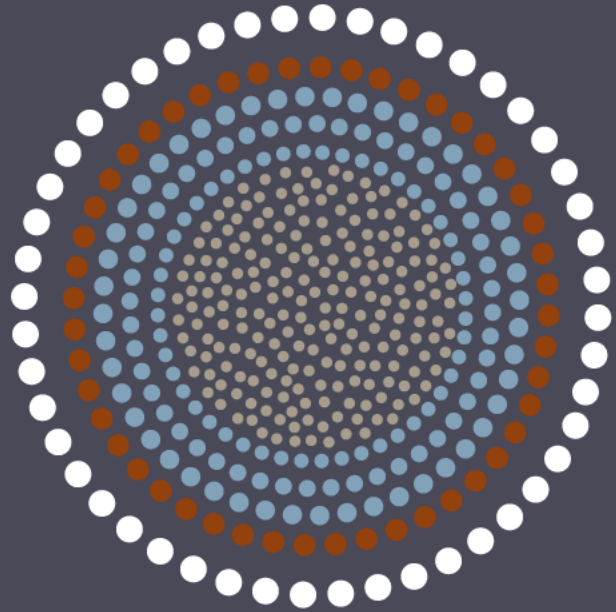
Vouchers  
redeemable  
at healthcare  
facilities

Support  
expansion of  
urban service  
network

Facilitate the  
design of  
additional  
curriculum  
requirements

Economic  
Integration





# Results-Based Financing Forum 2023



## Using RBF and Outcome Funds to Foster Support Employment Creation for Refugees

Elaine Tinsley– May 2023





## OVERVIEW

- Introduce or scale private sector activities to increase refugee employment opportunities.
- Reducing barriers to entry and addressing other constraints.
- Case Examples:
  - LIFT Impact Fund – Proof of Concept Stage
  - Horn of Africa Outcome Fund – Design Stage

# LEBANON FCV AND REFUGEE CONTEXT

- Unemployment in MENA is almost double the global average, especially among youth, and women's economic participation is among the lowest in the world.
- Large number of Palestinian refugees with limited work options, particularly for women, who also face social barriers.
- Financing options available for social enterprises is limited





## GROWING JOBS IN FCV SETTINGS

Social enterprises use a business model to deliver sustainable development outcomes and inclusive jobs for vulnerable communities and with innovation, technology and capital they can deliver on both economic growth and social outcomes for the region

### Job creation for vulnerable communities.

- Most investors across MENA region are prioritizing infrastructure spending, high-tech growth and modern technologies, these sectors target highly skilled population. However, there is a stronger need for investments in productive sectors that employ vulnerable communities where unemployment is most prevalent.

### Boosting the economy and addressing the SDGs.

- Studies have shown that social enterprises regularly outperform SMEs across almost all indicators (i.e. turnover growth, innovation, start-up rates etc), while generating a wide range of economic and social benefits. There is also a growing pipeline of high growth social enterprises in MENA who need impact funding to help them scale and create much needed income generating opportunities at scale.

### Resilience in FCS context.

- Recognizing the high social need, social enterprises are often one of the first enterprises to come into a post-conflict environment. They are also one of most resilient enterprises during times of economic stress, such as the COVID pandemic, as they prioritize safeguarding their social mission and their employees over the loss of profit, often finding creative means to respond to and survive the pandemic.

# NATAKALLAM – DIGITAL LANGUAGE JOBS FOR REFUGEES

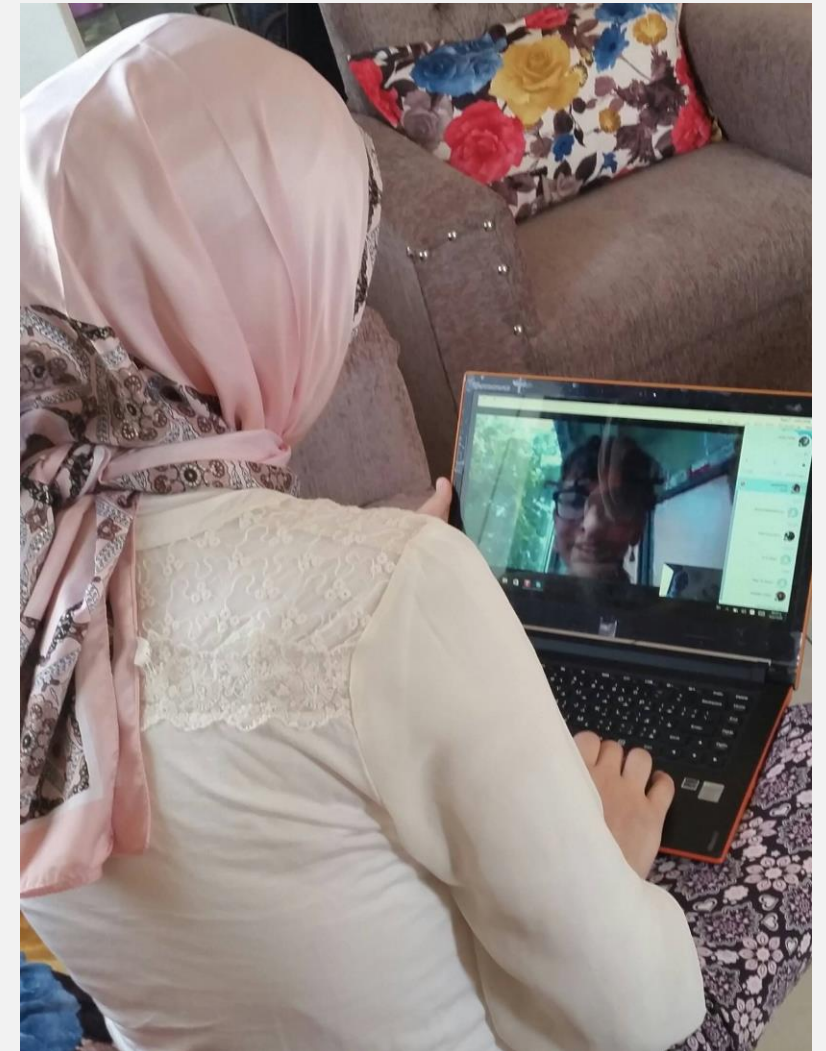
## NaTakallam

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

After 5 years of Alfanar's venture philanthropy support NaTakallam:

- Expanded steady employment opportunities from 37 refugees to **500 refugees, 53% of which are women**
- Increased their cost recovery from 77% to **121%**
- Increased their annual revenue from \$114k to **\$1m**
- Channeled **\$1.8m** of income to refugees

NaTakallam has grown past solely the Arabic language and is now providing refugees from 8 different countries employment, using 9 different languages.



# LIFT IMPACT FUND

## LIFT Impact Fund Design

**Double-impact Strategy**  
The Fund Management Company will redeploy a portion of the carry as grants to Alfano Venture Philanthropy portfolio in order to help build the impact fund pipeline

USD 50 million  
10 years with an investment period of 5 years

Gross Target Return = 15% per year

Social enterprises

Businesses with impact

Target allocation	Up to USD 15m	USD 35m
Investment sizes	USD 200K to 3m	USD 500K to 5m
Number of investees	8-10	12-15
<i>Note: The above includes follow-on investments with the same investees as our aim is to accompany them in their growth</i>		
Allocation thresholds per investment	<6% of total invested in a single company - except Advisory Board approval	<10% of total invested in a single company - except Advisory Board approval
Financial instruments	Equity or debt, based on a pre-determined exit strategy Hybrid instruments and revenue-sharing models	
Technical Assistance Facility of USD 5 million		

### Key takeaways:

- ✓ Fill a critical funding gap to scale the growth of high-potential social enterprises and impact-driven businesses
- ✓ Providing patient funding with technical assistance will support the growth of the social entrepreneurship ecosystem and will encourage businesses to focus on their triple bottom line (**people, profit, and planet**) while boosting job creation for marginalized communities
- ✓ Supporting the growth of a pool of investment ready and impact driven organizations will in turn attract more overseas impact investors and their capital into the country

## Sustainable Development Goals



## IMPACT CRITERIA

- 1) Has the ambition to scale a measurable impact
- 2) Its mission is to focus on:
  - ✓ Providing jobs and income opportunities for vulnerable individuals (esp. women, youth, refugees, migrants and persons with disabilities)
  - ✓ Increasing access to quality education and/or essential products & services
  - ✓ Providing training that increases economic mobility
  - ✓ Increasing collaborations and providing access to markets
  - ✓ Integrating micro enterprises in its supply chain
  - ✓ Encouraging better use of resources and circularity

## BUSINESS CRITERIA

- 1) Has a scalable & competitive business model with a positive EBITDA, on track for strong profitability with solid and proven unit economics
- 2) Has a proven product-market fit with continuous customer growth
- 3) Displays organic traction , with a measurable set of early customers
- 4) Is innovative with a unique value proposition
- 5) Has a clear path to exit from LIFT's investment, with reasonable visibility on the timing and the likely type of full or partial exit

## OTHER CRITERIA

- 1) Has a strong team, preferably women-led or youth-led, with a track record of success and sector-specific knowledge and expertise
- 2) Values gender equality, has high standards of conduct and governance, and respects fiscal and labour laws
- 3) Doesn't have any significant negative impact on the environment or climate change and is willing to reduce any potential negative impacts
- 4) Is able to benefit from the support we provide and allows us to add tangible value

# EXAMPLE OF INVESTMENT DONE PRIOR TO LAUNCH



## FABRIC AID – SOCIAL & ENVIRONMENTALLY CONSCIOUS VALUE-CHAIN FOR THE APPAREL INDUSTRY

- **Facts:** Registered in 2017 in Beirut; 120 employees; Launched in Jordan in 2021
- **Financials:** 2021 Actuals: \$770k revenue, \$-308k EBITDA // 2023 Projections: \$3.2m revenue, \$51k EBITDA
- **Activity:** FabricAID has established a socially and environmentally conscious value-chain for the apparel industry with a circular model that enables under-privileged people to buy decent clothing at micro-prices while helping reduce fabric waste, by increasing the efficiency of second-hand clothing collection, sorting and distribution. Clothes that do not appeal to the target beneficiaries are sold at Second Base, a vintage boutique. FabricAID also developed a new retail barter concept where people can sell and buy clothes called Souk Okaz which is witnessing tremendous growth.
- **Awards:** Stanford Global Social Venture Competition in 2018 in front of 500 participants from 60 countries (first winner from the Middle East region); 26 competitions / awards for a total amount of \$150k; the founder won the Dennis Pieton award from the French Embassy, the UNEP's Young Champion of the Earth Award for West Asia in 2019 and was nominated by causeartist as 40 social entrepreneurs from around the world to watch in 2022
- **Alfanar Venture Philanthropy Support:** Since 2018, Alfanar has provided FabricAID with grant funding (\$281k incl. a \$50k zero-interest repayable grant over three years), training and engaged management support allowing them to scale in Lebanon and launch in Jordan



### Why did Alfanar invest ?

- ✓ **Social & Environmental Impact:** In less than 5 years, FabricAID created 120 jobs for underprivileged youth, including refugees; supported 152 000 beneficiaries in getting access to affordable clothes; diverted 332 650 kg of textile from landfills; reduced carbon emissions by 1198 tons; and reduced water consumption by around 2 billion liters.
- ✓ **Growth Potential:** FabricAID is geared to grow its revenues 8 times by 2025, through expansion in Lebanon and Jordan.
- ✓ **Innovation & Strong Management:** Innovative and award-winning business and impact model with a very strong management team

**Investment Round:** \$100k by Alfanar and \$500k by Wamda Capital

### Use of funds:

- Expand in Jordan, with the aim of establishing 18 retail units
- Scale the business in Lebanon (collection, sorting and redistribution)
- Increase marketing efforts and wholesale collaborations



**Next Steps:** Raise funds to launch in Egypt in 2024-2025

**Current investors:** Wamda Capital, Alfanar, Viridis and 6 angel investors

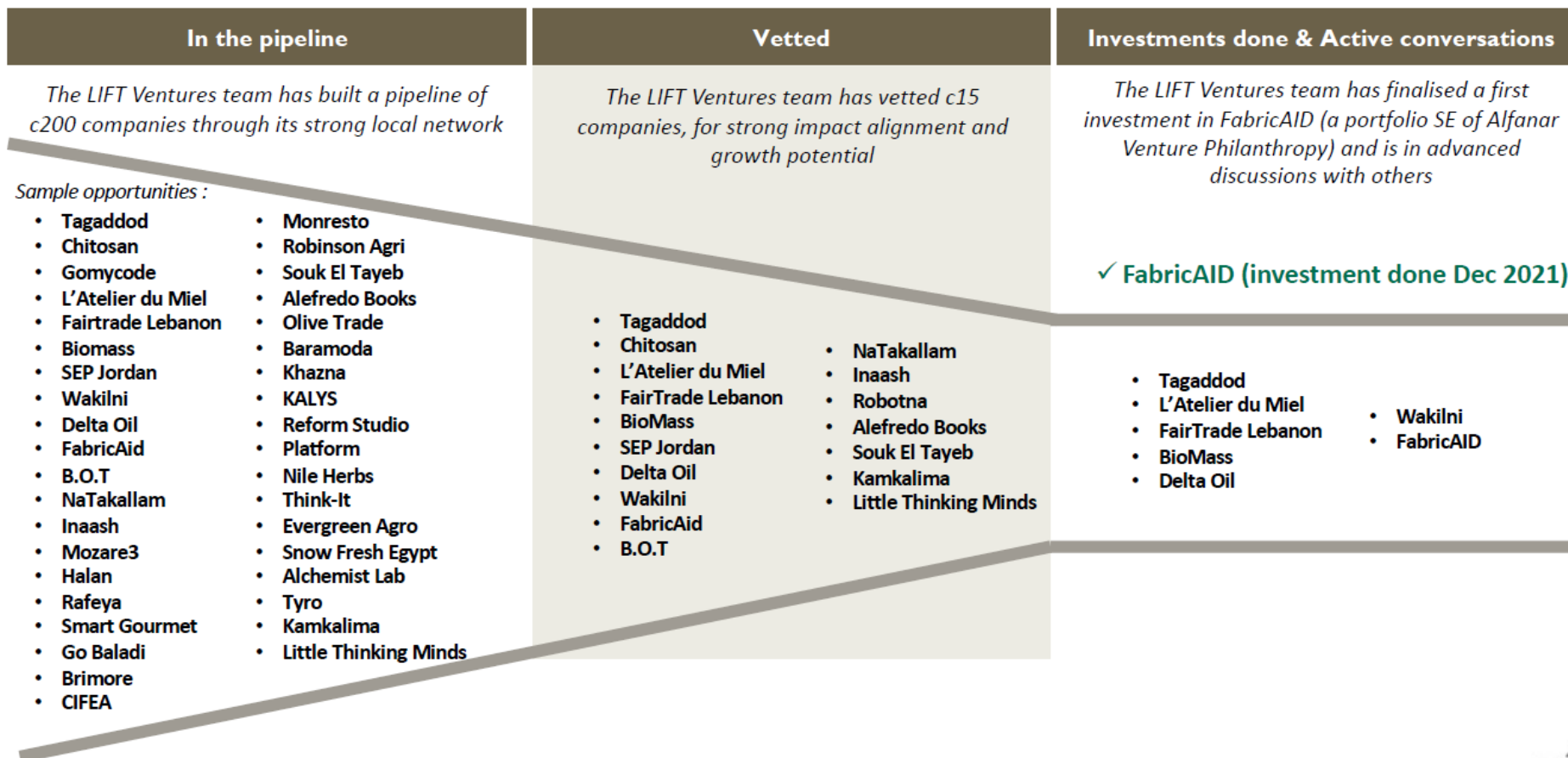
POST-  
INVESTMENT  
RESULTS FOR  
FABRICAID

	2021	2022	Increase
Clothes recycled (KG)	63,702	128,369	102%
Full time Staff	84	120	43%
Sales (USD)	\$ 266,397	\$ 807,165	203%

- Showcase that social enterprises can attract competitive investment capital
- Alfanar joined other investors, including Wamda, to help FabriAid close a 1.6 million USD funding round. The largest seed round raised by a SE in the Arab regions

Incorporating RBG into the Fund

To incentivize fundraising and raise return rates, RBF payments can be made to the funds based on the desired social and environmental outcomes. This way enterprises that have high social benefits but less financial returns could then qualify for investment.





## HORN OF AFRICA OUTCOME FUND

- Challenge: Job Creation in Refugee Settlements
- Objective: Design a suitable outcome-based funding model that mobilizes job-creating private investments and integration programs for quality employment and self-sufficiency of refugees and vulnerable populations in the HoA.
- Exploring different modalities and instrument combinations, including impact investing, results-based financing, public-private partnerships and funding from the private sector and aid organizations.
- Market analysis of key sectors and business models for refugee engagement.
- Stage: Call for expressions of interest from both NGOs, INGOs, social enterprises



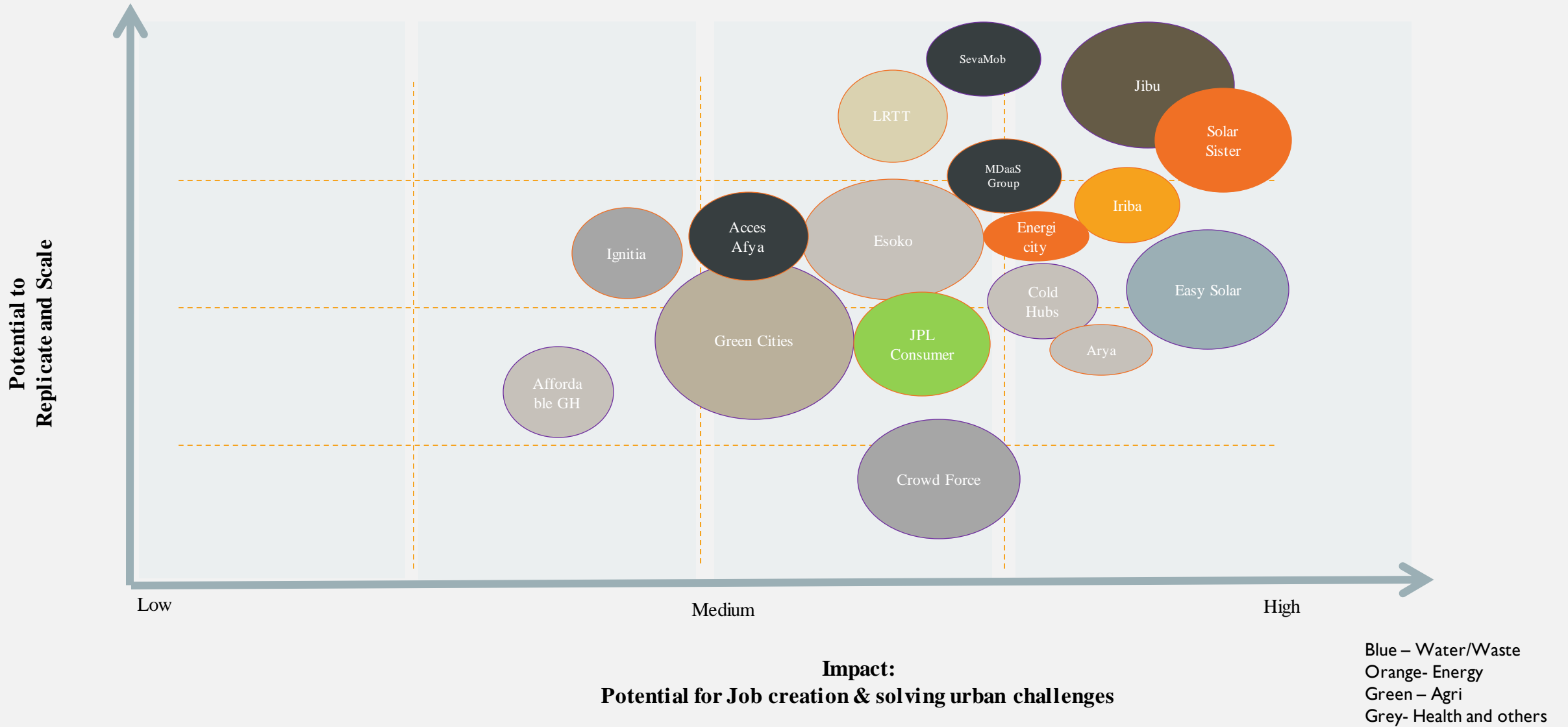
# ENTERPRISES INTERESTED IN FCV MARKETS: LIBERIA



- **Energy:** Solar Sister – women employment, strong record of raising funds,
- **Water:** Jibu – strong history of sales and replication into many countries, uses a franchise model for local ownership of kiosks
- **Agri:** Cold Hubs- needed for markets extend produce life, low capital costs
- **Waste:** Green Cities – existing Liberian SE, employment impact, expansion of equipment for plastic waster recycling



# Diagrammatic Representation of Enterprises' Financial Needs and Potential Impact



## KEY TAKEAWAYS

- There are enterprises that are willing to work in FCV environments, creating jobs and opportunities
- Entry risks need to be offset.
- Potential to raise private capital for funding, but also helps if early returns can be subsidized to be more appealing— opportunity cost of delaying the social impact.
- De-risk government outlays to the private sector