Shaping Philanthropy: A new chapter for Impact Investing in MENA

Live podcast recording

22 September 2025| SRTIP, Sharjah

On 22 September 2025, the Pearl Initiative hosted *A new chapter for Impact Investing in MENA,* a live recording of the Circle Network's podcast, Shaping Philanthropy, in conversation with Nafez Dakkak, the managing partner of Anara Impact Capital, the MENA region's first impact investment fund focused on learning, climate, and wellbeing.

Anara is anchored by family offices from across the region and aims to invest in late seed and series A companies. It is a subsidiary of Alfanar Venture Philanthropy and builds on its 20-year legacy of supporting regional changemakers. The event highlighted how impact investing, when paired with enabling philanthropy and good governance, can serve as a bridge between capital and community, building sustainable, locally rooted solutions for social impact in the region.

Speakers

- Nafez Dakkak
  Managing partner, Anara Impact Capital

- Louise Redvers
  Managing Editor, Circle Network

Key themes from the conversation

1. **MENA needs homegrown impact funds**

Sectors that define quality of life such as education, climate, and wellbeing remain severely underfunded in the region, attracting less than 5 percent of venture capital compared to around 20 percent globally. International aid has at times been inconsistent and trend-driven, while local capital is more likely to be culturally grounded and committed for the long term. Anara represents a shift toward intentional, regionally anchored investment that combines commercial discipline with social purpose.

2. **The enabling role of philanthropy**

Philanthropy is most powerful not when it tries to replace markets but when it enables them. By de-risking early ventures, funding technical assistance, and investing in the capacity of founders and teams, philanthropy helps organizations transition from grant dependency to investability. Impact funds are not a silver bullet. They are one part of a broader capital stack that includes grants, concessional finance, debt, and equity.

3. **Building an ecosystem for collaboration**

True progress requires alignment on shared goals before debating which instruments to use. Mapping the value chain clarifies which interventions require government support, philanthropic grants, or venture funding. At the ecosystem level, collaboration depends on trust, transparency, and a willingness to share both risks and rewards.

Practical takeaways for philanthropists and donors

1. **De-risk and enable to make ventures investable:** First-loss capital, guarantees, and technical assistance facilities can help ventures attract investors and strengthen at their earliest and riskiest stages.
2. **Invest in people and social capital:** Founders need mentoring, coaching, and networks as much as direct project funding. Supporting leadership development and organizational capacity builds resilience beyond individual projects.
3. **Stay anchored in a theory of change:** Start with the problem to be solved, map the pathway toward impact, and align the right type of capital, keeping impact at the core.
4. **Fund what is fundamental:** Rather than solely following global trends, prioritize persistent and fundamental regional challenges.
5. **Invest in coalitions:** Coalitions of local funders can provide stability across cycles and reduce the volatility that comes with trend-driven aid. They also create space for shared learning and help normalize transparency in regional giving, building trust and strengthening collaboration across the ecosystem.
6. **Keep measurement light but rigorous:** Impact measurement is essential, but it should not come at the cost of overloading entrepreneurs. The work can be supported by shared services or dedicated impact managers, with founders focusing on a small set of meaningful indicators.
7. **Bridge grant-funded NGOs to investable models**: Some organizations can transition from grant-based support to sustainable business models, while others should remain grant-funded. Philanthropy can help test readiness and, where appropriate, support alternative instruments such as recoverable grants or revenue-based finance. A healthy ecosystem allows for many paths, not one.
8. **Think Global South to Global South:** Many of the region's solutions have potential far beyond national borders. With the right technical assistance and partnerships, innovations born in MENA can scale across Africa and Asia where the challenges are similar. The priority should be ventures with business models that travel well, offering resilience and relevance across multiple contexts.

Closing Reflection

The conversation made clear that capital alone does not transform systems. Governance does. Governance is more than compliance or board structures. It is the set of principles, practices, and relationships that shape how capital is deployed and how collaboration unfolds.

When governance is strong, it provides the structure that allows philanthropy and investment to reinforce each other. It creates containers for transparency, builds trust between actors, and ensures that decisions are not only effective in the short term but also sustainable over time. If impact investing is the bridge between capital and community, governance is the architecture of that bridge. It determines its design, its integrity, and its ability to carry us forward.