



مندوق خليفة لتطوير المشاريع
Khalifa Fund for Enterprise Development

THE JOURNEY OF OUR SUCCESS

ANNUAL REPORT 2020



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MESSAGE FROM THE CHAIRMAN

Despite Covid-19's wide impact and challenging circumstances, Khalifa Fund was able to manoeuvre through its implications and successfully emerge from 2020 with distinction. In the face of adversity, Khalifa Fund continued its mission to foster and contribute to the sustainable growth of SMEs, in alignment with the goals of our wise leadership.

We were able to achieve a wide array of diverse achievements, and make some of our most notable announcements to date. We adapted to and overcame the limitations of Covid-19 in order to provide over 130 training courses, while also approving 10 new loans with a value of 7.97 million dirhams. KF has activated 1,163 loans out of the 1,530 approved ones, totaling AED 1.32 billion in activated loans since inception.

Additionally, Khalifa Fund launched and developed several initiatives and programmes that positively contribute towards the development of the entrepreneurial ecosystem. Khalifa Fund's major announcements comprised of: the launch of e-Empower and introduction of Amazon, noon and Akshaak as partners, the launch of the SME Rating for Khalifa Fund applicants, expanding 3 Khalifa Fund applicants through the Franchise Initiative, the start of the F&B Innovation Lab, signing the agreement with Facebook related to the 'She Means Business' programme, signing a 2-year MoU with Elite Agro, as well as delivering the Impact of Covid-19 on UAE SMEs Report.

I would like to give my appreciation and thanks to the Khalifa Fund team, and urge them to continue with their valiant efforts and perseverance, while we continue on our journey of excellence and prosperity.

HE Mohamed Ali Al Shorafa
Chairman



KEY STATISTICS



36 awareness campaigns



2,263 new applications



32,294 followers



8,643 entrepreneurs trained



130 training courses



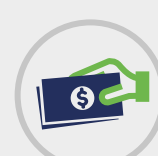
10 new loans with a value of 7.97 million dirhams



1,163 loans activated out of the 1,530 approved ones



435 active members



513 million dirhams volume of purchases



2,661 services provided



130 consulting sessions



672 field visits



15,000+ jobs created



22 countries included



3.4 billion dirhams international loan



400,000 international projects



678,000 international job opportunities

2020 ACHIEVEMENTS

Khalifa Fund continues its legacy of supporting SMEs and promoting a culture of entrepreneurship. In 2020 we achieved remarkable results in several domains:

1 SPREADING ENTREPRENEURSHIP CULTURE

Khalifa Fund aims to raise entrepreneurs' and SMEs' efficiency by building capacity, unlocking financing and service options, integration with different stakeholders and advocating the entrepreneurial culture. The strategic objective is to continue to spread a culture of entrepreneurialism, encourage leadership and inspire innovation.

Despite the challenges presented by Covid-19, Khalifa Fund continued to foster a culture of entrepreneurship by organising online workshops and mobilising digital communications.



Organised **36** awareness campaigns promoting entrepreneurship, totaling **1,014** campaigns since inception.



Utilising social media channels to promote entrepreneurship, as the number of followers of the Fund through various communication channels reached **32,294** followers by the end of **2020**.



Received **2,263** new applications, totaling more than **32,000** applications since inception.

The above numbers showcase the Fund's continued contribution towards raising awareness of entrepreneurship and recruiting new entrepreneurs. Khalifa Fund aimed to educate participants about the importance of entrepreneurship as a favourable career choice, and about the role of the Fund in supporting entrepreneurs and SMEs.

2 CAPACITY BUILDING

2020 was an optimal year in terms of the Capability Building activities carried out by the Fund.

In addition to reaching a record number of beneficiaries, Khalifa Fund also ran workshops encompassing 31 different subjects in the field of entrepreneurship, aimed mainly at helping entrepreneurs during the Covid-19 pandemic through encouraging their digital transformation and investing in technology. Moreover, 11 workshops have been conducted in specialised sectors such as artificial intelligence and future of IT.



8,643 entrepreneurs participated in training courses, totaling **19,637** since inception, of which **65%** were women.



Conducted **130** training courses, totaling **887** courses since inception.

3 FUNDING

Khalifa Fund remains committed to its significant role in bridging the gap in SME financing, and still believes in the importance of providing more financing to contribute to supporting innovation and economic diversification. However, due to the economic difficulties faced by SMEs due to the Covid-19 pandemic, the Fund committed to redirecting its efforts and financial support exclusively towards existing projects, and offering support in ways such as deferring loans for 3-months and restructuring them to be redirected towards more pressing needs. The Fund was aware of the risks in funding new projects in several sectors at this time, with the exception of a few sectors that were not negatively impacted during the pandemic. Therefore, all new projects were temporarily put on hold, however, the following was provided to support the entrepreneurial ecosystem:



Approved **10** new loans with a value of **7.97** million dirhams, totaling the number of approved projects since inception to **1,530**, with total loans amounting to **1.79** billion dirhams.



KF has activated **1,163** loans out of the **1,530** approved ones, totaling AED **1.32** billion in activated loans since inception.

4 OPERATIONAL SUPPORT

Khalifa Fund succeeded in creating a unique mechanism to support entrepreneurs both financially and operationally, by delivering integrated stimulus packages and support programmes tailored to the needs of the projects and based on their operational growth. In 2020, the Fund ensured the provision of mentorship and counselling support, in addition to following up with funded projects, providing technical guidance, government support and exemptions through the Fund's partners.

There have been several operational support positive achievements in 2020, some of which are:



Number of active members under the membership programme reached **435** by the end of the year **2020**, noting that more than **2,000** projects have benefited from the membership programme since its inception.



The volume of purchases from the Fund's funded projects and those under the membership programme amounted to **513** million dirhams only in **2020**.



In the year **2020, 2,661** services were provided by the Fund's partners for funded projects/projects under membership programme.



Conducting of more than **130** consulting sessions for funded projects.



Training **136** employees out of **46** underperforming companies to help them improve their performance.



Executing more than **672** field visits to the Fund's projects to learn about their problems and contribute to solving them.

5 FINANCIAL PERFORMANCE [BASED ON FINANCIAL DATA OF 2019]

The Fund remains keen on encouraging and supporting SMEs in establishing financial and accounting systems and preparing financial statements on sound scientific foundations. The Fund seeks to increase awareness of the importance of financial data among entrepreneurs, which helps in making financial decisions and evaluating progress. This also helps Khalifa Fund evaluate the performance of SMEs and analyse the data correctly.

The Fund has established a database to measure SMEs contributions to the domestic income and monitor financial performance through issuing accurate reports of SMEs supported by Khalifa Fund and monitoring their overall performance.



Percentage of projects that made profits reached 63% with an average profit rate equalling 7%.



The average annual revenue of each project was 3.3 million dirhams, while the average profit for each project was 235,000 dirhams.

6 ECONOMIC IMPACT

The Fund developed a database to measure the contribution of SMEs to the national economy to create accurate financial reports, monitor projects and conduct accurate financial data analysis of those projects. It is also clear that SMEs create more job opportunities in terms of both quantity and quality, which adds value given that the number of Emiratis are increasing while the number of job opportunities are decreasing.



According to **2019** financial data, the UAE national economy has benefited from **2.5** dirhams for every dirham loaned.



Khalifa Fund projects have created more than **15,000** jobs in the private sector, more than **1,800** of them for Emiratis.

7 INTERNATIONAL ROLE

Developing SMEs creates new opportunities through offering entrepreneurs and business owners a prosperous environment for their growth. And with that in mind, Khalifa Fund's international role can be summed up as follows:



Under the High Directives received by Khalifa Fund, the international programme expanded its support of SMEs and entrepreneurs to **22** countries across **3** continents: Asia, Europe and Africa.



The total amount of international loans and grants managed through the Fund reached up to **3.4** billion dirhams.




The number of benefiting loans in the countries that started operating has reached about **400,000** projects.



These projects have created around **678,000** job opportunities in those countries.


8 SPECIAL PROGRAMMES AND INITIATIVES TO OVERCOME COVID-19


- 1 Dedicated a hotline to provide direct consultations to entrepreneurs.



- 2 Provided various, free specialised training courses during 2020 that kept pace with the current events of the pandemic to help deal with crises and tackle digital transformation.


- 3 Provided financial support through deferment of installments for 3 months, loan restructuring options, and loan reallocation.


- 4 Launching the e-Empower programme in cooperation with Amazon, noon and Akshak with the aim of supporting and developing SMEs through e-commerce.


- 5 Negotiations with governmental and private sector institutions and major commercial centres to obtain discounts on SME's rental payments.


- 6 Preparing studies and reports with recommendations for entrepreneurs on the best ways to reduce the impact of the pandemic, such as the report on the impact of Covid-19 on entrepreneurs.



7

Promoting the export programme to open additional markets for small and medium enterprises, as the number of enterprises exporting reached 152.



8

Successful implementation of the 'Franchise Initiative', which saw three new Khalifa Fund businesses expand locally and internationally.



9

Developing the AI Mentor platform to continuously advise entrepreneurs through an artificial intelligence platform.



10

Launching the F&B Innovation Lab initiative, to incubate Emirati talent who have F&B concepts and link them with industry leading manufacturers who can develop and transform their F&B concepts into internationally accepted products.



11

SME Rating Initiative to evaluate projects and increase their chances of obtaining bids and loans from banks.



12

Boosting the regular services provide by the Fund such as: business counselling, financial support and advice, business monitor and support for funded projects, technical support and guidance, government support and exemptions.



13

Turn around initiative to help underperforming projects to achieve success.



9 MAJOR ANNOUNCEMENTS

Khalifa Fund had a standout year with regards to newly conceptualised and previously existing initiatives, forming partnerships, and the development of SME orientated reports. Amongst the main announcements were:



The Impact of Covid-19 on the SME Sector in the UAE Report

In quarter 2 of 2020, Khalifa Fund developed a specialised report which highlighted the economic implications of Covid-19 on SMEs, on a sector-by-sector basis. The report evaluated the current economic situation and gave analysis and recommendations on the next steps for SMEs to negate the challenges.

She Means Business

She Means Business, an entrepreneurial education programme for women by Khalifa Fund and Facebook, supports and trains 1,300 women entrepreneurs through a series of virtual training sessions, with the aim of equipping participants with a range of skills that will help their marketing and e-commerce efforts.





Elite Agro Partnership

Khalifa Fund and Elite Agro announced the signing of a two-year MoU. The MoU between the two parties has been developed to manage and operate a number of protected farms that fall under the umbrella of Khalifa Fund, with the aim of increasing their production capacity and operational efficiency by introducing the use of innovative agricultural technologies.

Venturist Summer Camp

A two-week entrepreneurship summer camp where students learnt essential entrepreneurship skills, including the elements behind starting a business, problem solving skills, and maximising digital literacy for a marketplace that is increasingly tech-savvy.



Franchise Initiative

Khalifa Fund officially announced the completion of the 2019-2020 edition of the 'Franchise Initiative', which saw three new UAE owned and operated businesses: Amaryllis Flowers, Rafeeg, and Rolling Wheels, become the latest organisations to benefit from the long-serving Franchise Initiative, and become ready to expand.



e-Empower: Amazon, noon and Akshaak

Khalifa Fund announced a new partnership with Amazon, which aims to support and develop Abu Dhabi-based SME through interactive e-Learning content. Khalifa Fund then went on to announce an innovative partnership with noon. The partnership will comprise of: preferential rates at noon; the 'noon Mahali'



initiative supporting Emirati micro-businesses; and optimised positioning for local food producers on noon dedicated grocery platform, noon Daily. Khalifa Fund introduced Akshaak as their third partner of the programme. The partnership will offer participants special online retail space on the Akshaak app as part of efforts to help retailers to take their e-commerce to the next level.

SME Rating

Khalifa Fund for Enterprise Development officially launched the 'SME Rating', a digital classification system that provides a comprehensive overview of the logistics, operations and overall performance of SMEs. The SME Rating measures the SMEs through a key set of financial and operational evaluation criteria including financial and productivity management, business sustainability and human resources. The SME Rating system has been developed for the benefit of local small-medium enterprise owners so they can obtain an accurate overview of their organisation strengths and weaknesses and ensure that their business functionalities are operating to standard.



F&B Innovation Lab

Khalifa Fund and the F&B Manufacturing Business Group (FBMG) announced the launch of the F&B Innovation Lab, a programme that aims to discover, guide and mentor the UAE's next innovative F&B products. The programme will incubate Emirati talent who have F&B concepts rooted in sustainability, health, and convenience, with industry leading manufacturers who can develop and promote successful product-market fits, with the aim of transforming their F&B concepts into internationally available products.



SAMPLE OF KHALIFA FUND'S SUCCESSFUL PROJECTS



Pioneering the Comprehensive Farms Management Model. Their services are divided between farm management, agricultural tourism and the overall agricultural industry.

Hamed Al Hamed
Gracia Group



Manufacturers of safety and army footwear, located in Abu Dhabi. Their products are a result of the latest technology in comfort, combined with state-of-the-art workmanship.

Majed Al Bakeri
National Factory for Safety
& Security Products





NIILI



A modern brand that offers a wide and distinct collection of fashion style for modern women to suit various occasions.

Khaled Al Zaabi
Niili



DOCTORS

An interactive platform designed to help people find the right doctor. Introduced 'Dakhtar' - a health technology developed by doctors to help patients find the right diagnosis from home.

Hasna AlMutawa
DoctorsAE





Shot Café is an Emirati café specialising in providing specialised coffee, which started as a food truck and travelled around the Emirates to promote the concept, until they became well known in Abu Dhabi with plans to expand to all emirates in the future.

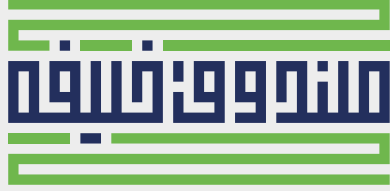
Ahmad Al Fahim
Shot Café



Specialises in the field of security and automation systems, in addition to infrastructure for wired/wireless communication networks, escort cameras, security gates, alarm and audio systems.

Saleh Al Mubarak
Eurosys





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