Islamic Solidarity Fund for Development

Islamic Development Bank

Together we Build a Better Future
Outline

- Poverty – A Challenge for the *Ummah*
- About ISFD
- Programs
- Portfolio and Partnerships
Poverty, A Challenge for the *Ummah*

IDB member countries account for only 22% of the world’s population, but 40% of the world’s poor

Only 5 member countries account for 250 million of this 400 million (Bangladesh, Indonesia, Nigeria, Pakistan and Sudan)

18 countries have more than 50% of their population in poverty – Majority in the Sub-Saharan Region.
Human Development in Sub-Saharan

99% of the multidimensionally poor in Sub-Saharan face at least one env. deprivation (water, sanitation, or cooking fuel)

More than 50% lack access to electricity

More than 85% lack access to improved sanitation, nearly half of the households spend >30 minutes a day collecting water

Among 29 countries with lowest Education Development Index (EDI), over 60% are in Sub-Saharan

22% of the multidimensionally poor live on degraded land
Alleviating Poverty
The Daunting Task Ahead

Poor in IDB member countries need at least **US$110 billion** annually

**UN Millennium Project:**
**US$110-180 billion / Year to achieve MDGs**

**OECD** estimate the figure to be closer to **US$250 billion**.

**Total ODA Commitments are about US$ 54 billion**
Islamic Solidarity Fund for Development

Providing Resources, Fighting Poverty, Restoring Dignity
About ISFD

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<thead>
<tr>
<th>Established on</th>
<th>6 Dhul Qadah, 1426H / 08 Dec, 2005</th>
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<tbody>
<tr>
<td>Launched on</td>
<td>13 Jumad-I, 1428H / 30 May, 2007</td>
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<td>Commenced Operations in</td>
<td>February 2008</td>
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<td>Special Waqf Fund with separate Accounts and Records, Board of Directors, and Board of Governors</td>
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<tr>
<th>Target Capital:</th>
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<tr>
<td>US$10 Billion</td>
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<table>
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<th>Capital Committed:</th>
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<tr>
<td>US$ 2.661 Billion</td>
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<table>
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<th>Capital Paid:</th>
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<tr>
<td>US$ 1.639 Billion</td>
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<th>IDB Commitment:</th>
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<tr>
<td>US$ 1.0 Billion</td>
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Priority Areas

- Agriculture & Rural Development
- Human Development (Education, Health, Water & Sanitation)
- Basic Infrastructure Development
- Capacity Development
- Women Empowerment
Philosophy of Interventions

- Partnership with Country
- Inclusiveness
- Community Empowerment
- Sustainability
Philosophy of Interventions

High-Impact, Targeted Interventions
(Infrastructure Dev., Human Dev., Agricultural and Rural Dev.)

Communities | Ultra Poor

High-Impact, Targeted Interventions
(Capacity Dev. Women Empowerment)

Economically Active Poor | Women, Youth, Marginalized

Impact / Results

Achievement of MDGs | Eradication of Poverty
Feeding into Millennium Development Goals

1. **Eradicate extreme poverty and hunger**
2. **Achieve universal primary education**
3. **Promote gender equality and empower women**
4. **Reduce child mortality**
5. **Improve maternal health**
6. **Combat HIV/AIDS, malaria and other diseases**
7. **Ensure environmental sustainability**
8. **Global partnership for development**
Current Flagship Programmes

Vocational Literacy Programme (VOLIP)

Microfinance Support Programme (MFSP)

Sustainable Villages Programme (SVP)
Vocational Literacy Programme (VOLIP) (US$ 500 Million)

To reduce poverty, particularly among women in rural populations by equipping them with relevant functional literacy competencies and vocational skills.

Out of School Children (Age: 9-15)

Teenagers and Youth (Age: 16-24)

Women Worker Groups
Microfinance Support Programme (MFSP) (US$ 500 Million)

- One Million Economically Active Poor
- Half Million Ultra Poor
- Women

Financial Services
Reduce Vulnerability
Create Employment Opportunities
Improve Living Conditions

One Million Economically Active Poor

Half Million Ultra Poor

Women

Financial Services
Reduce Vulnerability
Create Employment Opportunities
Improve Living Conditions

Women
Business Development and Trade through Microfinance

Target Groups
- Women
- Youth

Purpose
- Stimulate Small Businesses
- Help Self-employment

Outcome
- Business Development
- Trade
Sustainable Villages Programme (US$ 120 Million)

- Achievement of the MDGs by 2015
- Tackling extreme poverty in selected regions with the help of low-cost, sustainable and community-led action plans

US$ 120 – US$150 per beneficiary per year

Cluster Population: 45,000 - 80,000 people

The average cost per cluster: US20.0 million/country
Sustainable Villages Programme

- Agriculture and Livestock
- Primary Education
- Primary Healthcare
- Business Development
- Empowering of Women
- Preservation of the Environment
- Rural Infrastructure
- Water
- Energy
- Transport
- IT
- Community Development
- Trade for Poverty Reduction

Phase I: 1431 (2011)
- Chad (US$ 22.11 million)
- Sudan (US$ 20.0 million)

Phase II: 1432 (2012)
- Mozambique (US$ 20.3 million)
- Kyrgyz Republic (US$ 20.3 million)

Phase III: 1433 (2013)
- Niger
- Mali
- Burkina Faso
Future Flagship Programmes

- Basic Education for the Poor
- Renewable Energy for the Poor
- IDB-Grameen Social Business Initiative
Basic Education for the Poor

Expansion
• Develop a project with GoP to expand TCF schools in Pakistan

Replication
• Replicate the TCF Model in IDB Member Countries

Sustainability (Waqf)
• Develop a model for Sustainability
Renewable Energy for the Poor

- SHS Program in Bangladesh (IDB Success Story)
- 1.3 million SHSs installed, new target 2.5 million
- Reduced cost, innovation, private sector
- Experiences in Malaysia and Turkey
Renewable Energy for the Poor (REP)

-> To fight energy poverty in the remote off-grid communities
-> To raise levels of socioeconomic development and improve rural households’ livelihoods by increasing access to electricity and income generating activities in rural areas.

Consolidating Lessons
- Understanding Needs
  - Pakistan
  - Nigeria
  - Malaysia
  - Turkey

Comparative study
- REP Models
- Policies
- Methodology
- Costs

Study

Flagship Program
- Concept Note
- Countries
- Partnerships
- Financing
### IDB-Grameen Social Business Initiative

#### Strategy

- **Invest in Social Businesses that benefit the poor**
- **Making available essential services and products, at affordable prices**
- **This is a profit-making but not profit-taking initiatives, with the aim of becoming financially sustainable**

#### Funding & Priorities

- **IDB** will provide US$ 10 million while **Grameen Trust** will contribute a token amount of US$ 10,000 equity participation

- **Areas of priority** will be the Health Care for the Poor, Clean Drinking Water, Production Materials for the enterprising poor
Other Programmes

- **ISFD/HDE**
  - Alliance for blindness Control

- **ISFD/AGR**
  - Scaling-up the Millennium Villages Project

- **ISFD/AGR**
  - UN Drylands Initiative

- **ISFD/HDE**
  - Maternal and Child Health
**ISFD Portfolio**
(35 Projects)

**Total Cost (US$ million)**
- 1,200

**ISFD Financing**
- 198.53

**IDB and Others**
- 984.55

**Region**

<table>
<thead>
<tr>
<th>Region</th>
<th>No of Projects</th>
<th>Total Cost (US$)</th>
<th>%</th>
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<tbody>
<tr>
<td>Africa</td>
<td>24</td>
<td>823,528,000</td>
<td>68.61%</td>
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<tr>
<td>Asia</td>
<td>1</td>
<td>64,700,000</td>
<td>5.39%</td>
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<tr>
<td>CIS</td>
<td>5</td>
<td>139,180,000</td>
<td>11.60%</td>
</tr>
<tr>
<td>Europe</td>
<td>1</td>
<td>6,797,000</td>
<td>0.57%</td>
</tr>
<tr>
<td>Middle East</td>
<td>4</td>
<td>166,100,000</td>
<td>13.84%</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>35</strong></td>
<td><strong>1,200,305,000</strong></td>
<td><strong>100.00%</strong></td>
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Strategic Partnerships

WCMP
WAMY
WB
EI & MDGC
ISFD
QRCS
BADEA
“...if anyone saved a life, it would be as if he saved the life of the whole people” Quran (5, 32).

Thank You!

The measure of one’s life is not its duration
BUT
how much is one’s donation!