

- ii. Promoting innovative, integrated, and inclusive development interventions:
 - All interventions are grounded in community development, capacity building, knowledge sharing, and community-driven awareness campaigns.
- iii. Promoting public-private partnerships in the transformation process, including partnerships with NGOs, philanthropists, academic institutions and research centres, charity organisations and individuals.

The scope of the SVP includes multi-sector investments in the following areas that directly feed into the process of achieving of the MDGs:

- Agriculture and livestock;
- Primary education;
- Primary healthcare;
- Rural infrastructure;
- Business development;
- Empowerment of women;
- Preservation of the environment; and
- Trade for poverty reduction

The tentative total cost of the SVP in each site is US\$20.20 million over an implementation period of four or five years. The total cost of the programme is US\$ 121.20 million (including loan and grant financing) in six Least Developed Member Countries (LDMCs) of the IDB. The ISFD and the IDB will finance US\$61.20 million dollars for the duration of the programme. The remaining amount of US\$60 million will be raised from other partners.



During 2011, the SVP was launched in Chad (Salamat Region) and Sudan (Kulbus, West Darfur) and preparations are underway for implementing projects in Mozambique and Kyrgyz Republic during 2012. Two more countries will be selected in 2013.

Future Flagship Programmes

The ISFD is currently working on three new flagship programmes for 2012:

- Basic Education for the Poor (BEP);
- Renewable Energy for the Poor (REP);
- Social Business Initiative (SBI).

The concepts for these programmes are currently being developed.

Strategic Partners

- The Earth Institute at Columbia University and the Millennium Development Goals (MDG) Centre
- The World Assembly of Muslim Youth (WAMY)
- The World Congress of Muslim Philanthropists (WCMP)
- The Qatar Red Crescent Society, and
- Other regional and multilateral developmental institutions, such as: The Arab Bank for Economic Development in Africa (BADEA) etc.



Islamic Solidarity Fund for Development (ISFD)

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Islamic Development Bank Islamic Solidarity Fund for Development (ISFD)



Providing Resources • Fighting Poverty • Restoring Dignity



About the ISFD

The Islamic Solidarity Fund for Development (ISFD) is the poverty alleviation arm of the Islamic Development Bank (IDB) Group. It is a primary vehicle for the following activities in IDB Member Countries:

- Fighting poverty and hunger and promoting pro-poor growth;
- Providing financial support to enhance the productive capacity and sustainable means of income generation for the poor;
- Emphasising human development, and especially reducing illiteracy and eradicating diseases/ epidemics such as malaria, tuberculosis and HIV/ Aids.

The decision to establish the ISFD was taken at the 3rd Extraordinary Session of the Organization of Islamic Cooperation (OIC)¹ Summit held in Makkah Al Mukarramah, 5-6 Dhul Qadah 1426H (7-8 December 2005G).

The Launch and the Nature of the ISFD

The ISFD was officially launched during the 32nd Annual Meeting of the IDB Board of Governors (BOG) held on 12-13 Jumad-I 1428H (29-30 May 2007G) in Dakar, Senegal. The headquarters of the Fund is in Jeddah, Saudi Arabia.

The Fund has been established as a Waqf (i.e. Trust/Endowment), with a principal target capital of US\$10.00 billion. All IDB Member Countries are expected to announce their financial contributions



to the Fund and extend technical and moral support to its operations. The Fund's priorities include:

- Human development (education, health, water and sanitation);
- Agricultural and rural development;
- Basic rural infrastructure development;
- Capacity building (cross-cutting theme);
- Women's empowerment (cross-cutting theme).

Poverty

The Fund views poverty as a multi-dimensional phenomenon, encompassing not only low income and consumption, but also low achievement in fundamental human rights, including education, nutrition, primary health, water and sanitation, housing, crisis-coping capacity, insecurity, and all other issues relevant to sustainable human development.

ISFD Flagship Programmes

Microfinance Support Programme (MFSP)

The main objective of the MFSP is to fight poverty by promoting access of the economically active poor to financial resources and capacity development as a means to reduce vulnerability, create employment opportunities and improve living conditions of the poor. The main activities of the MFSP include:

- Extending lines of financing and equity capital to banks and Micro-Finance Institutions (MFIs).
- Establishing Guarantee Funds to enhance the participating banks' financing capacities.
- Building capacity of MFIs, banks, Non-Governmental Organizations (NGOs), and providing a vocational literacy programme for Poverty Reduction.
- Providing market-oriented training for the active poor in order to improve their technical capabilities and skills for small business development.



The total cost of the programme is estimated at US\$ 100.0 million annually over a five-year period. The IDB and the ISFD will contribute US\$ 20 million annually with the remaining US\$ 80 million expected to be provided from other financiers. Five projects worth US\$124.4 million have been approved, up to the end of 2011, with the IDB/ISFD financing US\$ 53.0 million of the cost and the rest being covered by other financiers.

Key partners in the implementation of the MFSP include governments, microfinance institutions, banks, non-governmental organisations, and development funds.



Vocational Literacy Programme (VOLIP)

The main objective of the Vocational Literacy Programme (VOLIP) is to reduce poverty in the rural populations, particularly among women, by equipping them with relevant functional literacy competencies and notional skills, and by giving them access to microfinance funding to facilitate their own development. The main activities of the VOLIP include:

- Teaching out-of-school children, between the ages of 9-15 years, reading, practical math and health education.
- Training teenagers and young adults, between ages of 16-24 years, on functional literacy and vocational training for employment.
- Training women workers with on-the-job functional literacy competencies, notional skills, health education and financial management.
- Combating illiteracy among adults.

The total cost of this programme is estimated at US\$100.0 million annually over five years. The IDB and the ISFD will contribute US\$ 20 million annually with the remaining US\$ 80 million expected to be provided from other financiers. Three projects amounting to US\$ 47.7 million have been approved, up to the end of 2011, with the IDB/ISFD financing US\$ 32.1 million of the cost and the rest being covered by other financiers.

The key partners in implementing the VOLIP include governments, vocational institutions, non-governmental organisations, and microfinance institutions.

Sustainable Villages Programme (SVP)

Approved by the ISFD Board of Directors (BOD) in May 2011, the ISFD Sustainable Villages Programme (SVP) is an integrated, inclusive, and innovative approach to development targeting remote, impoverished communities and helping them achieve the Millennium Development Goals (MDGs) by 2015. The programme is inspired by the IDB 1440H Vision which aspires to transform the landscape of comprehensive human development in the Muslim World, and the integrated, multi-year, and multi-sector strategy envisaged under the ISFD 5-year Strategic Plan.

The primary objective of the SVP is to reduce extreme poverty in the selected cluster of villages in the poorest IDB Member Countries, utilising low-cost, sustainable, community-driven, high-impact multi-sector development interventions that are tailored to the villages' specific needs and designed to achieve the Millennium Development Goals (MDGs), by the end of 2015.

The Sustainable Villages Programme (SVP) is guided by three core principles:

- Ensuring ownership of the MDGs:
 - local communities take the lead in the programmes supported by governments working in close partnership with NGOs, civil society, community based organisations, national and international development institutions and other donors.

¹ Previously called Organisation of Islamic Conference (OIC)