

Promoting Innovative Financing through Local Value

AP Regional Humanitarian Partnership Week

Achmad Zaki
Human Initiative

11st December 2024 - Bangkok



Humanitarian Needs



299,4 M
People in need



180,5 M
People targeted



\$46,4 B
Requirements

HOWEVER

Humanitarian Funding State



Only 35%
Funding received in 2023

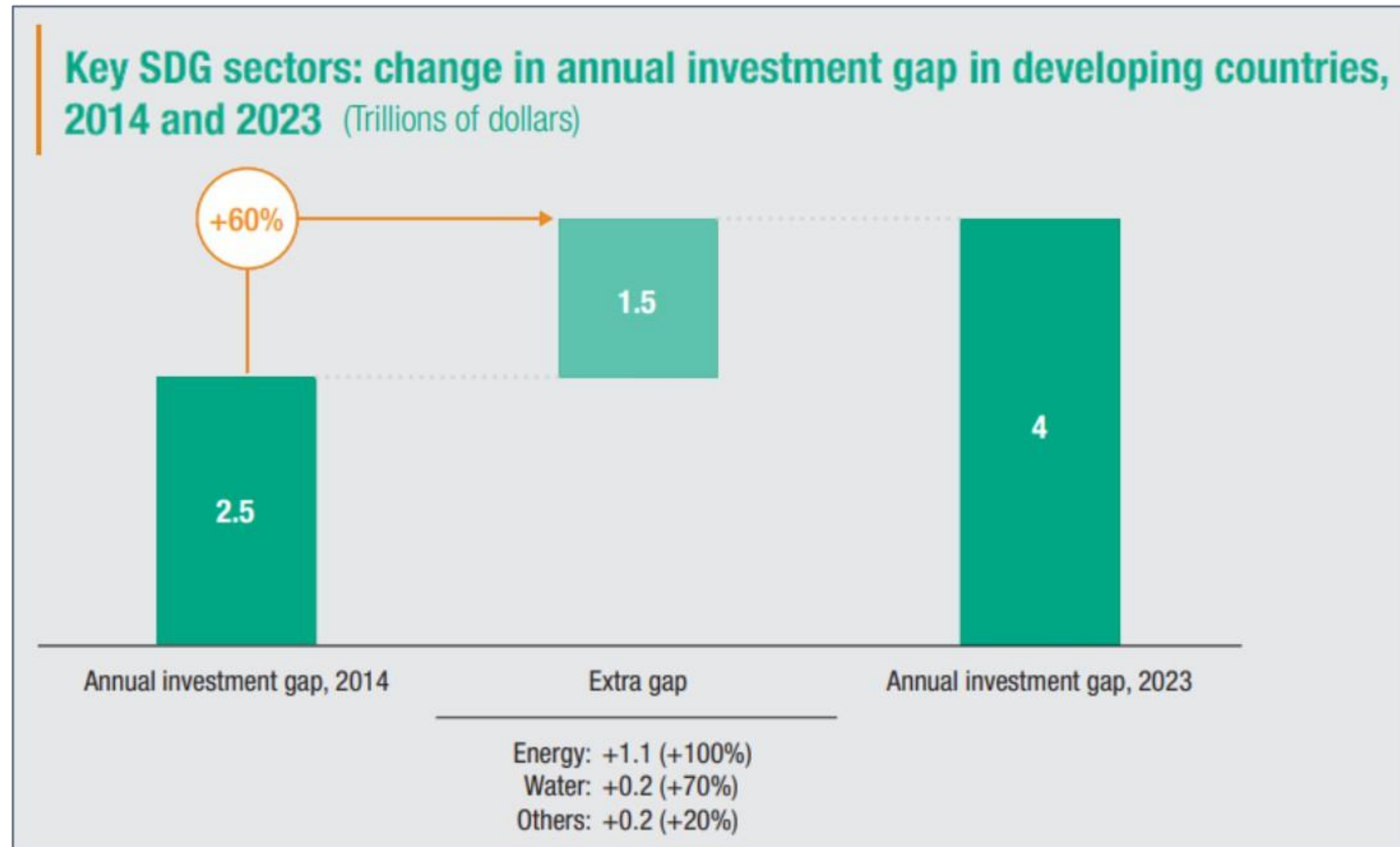


\$36,8 B
Gap of needs vs funding received (2023)



In 2023, most donors indicate potential of decline

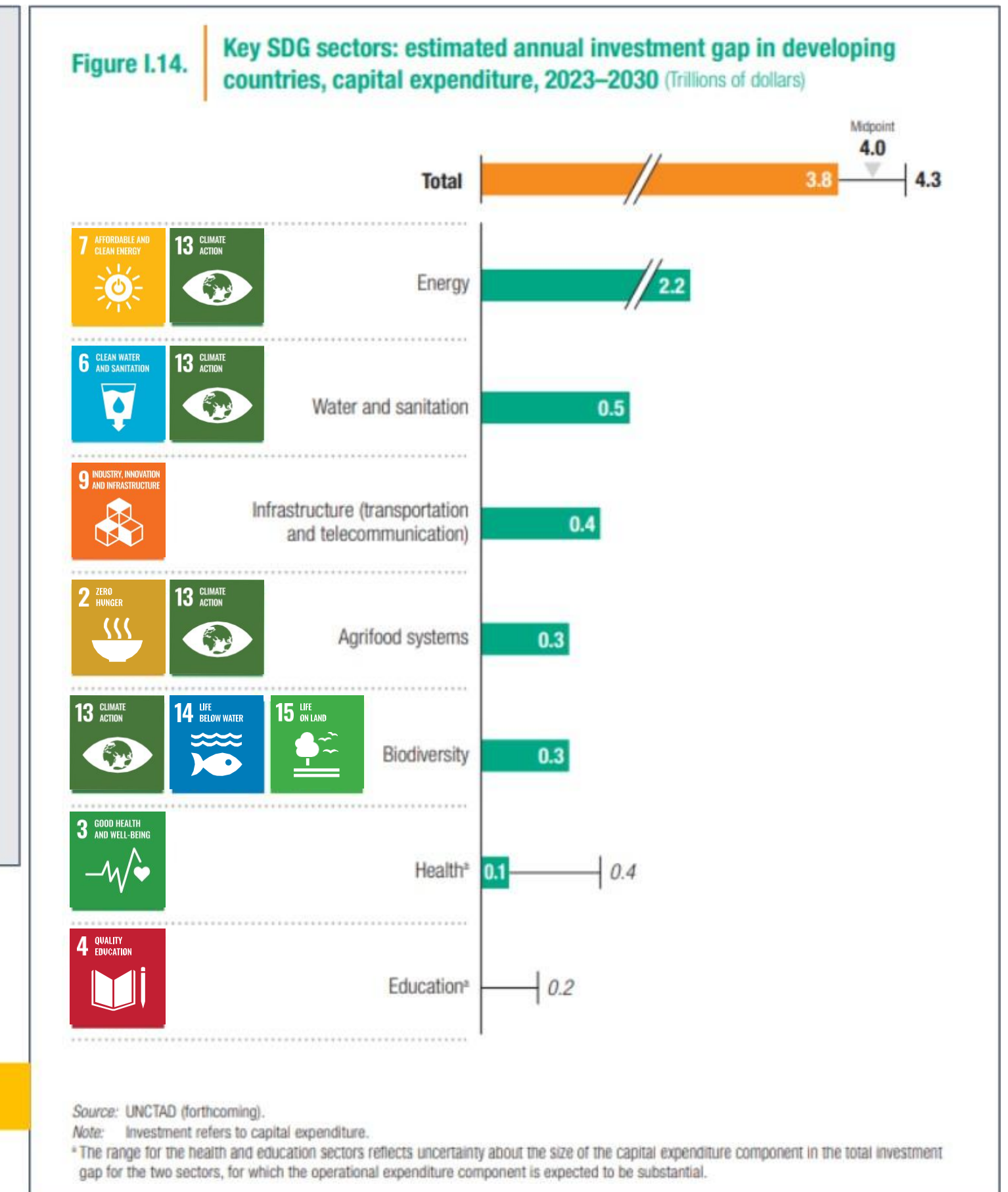
SDGs Financing Gap



Source: UNCTAD World Investment Report (2023)

Blending Finance:

Public-private partnership, financial-social sector collaboration



Innovative Financing as Alternative Solution

Islamic Financing



Zakat



Infaq



Sadaqah



Waqf
(Religious
Endowment)

Source: Fauzia, A. (2017). Islamic philanthropy in Indonesia: Modernization, islamization, and social justice. Austrian Journal of South-East Asian Studies, 10 (2), 223-236

Non-Traditional Funding



Impact
Bonds



Impact
Investment

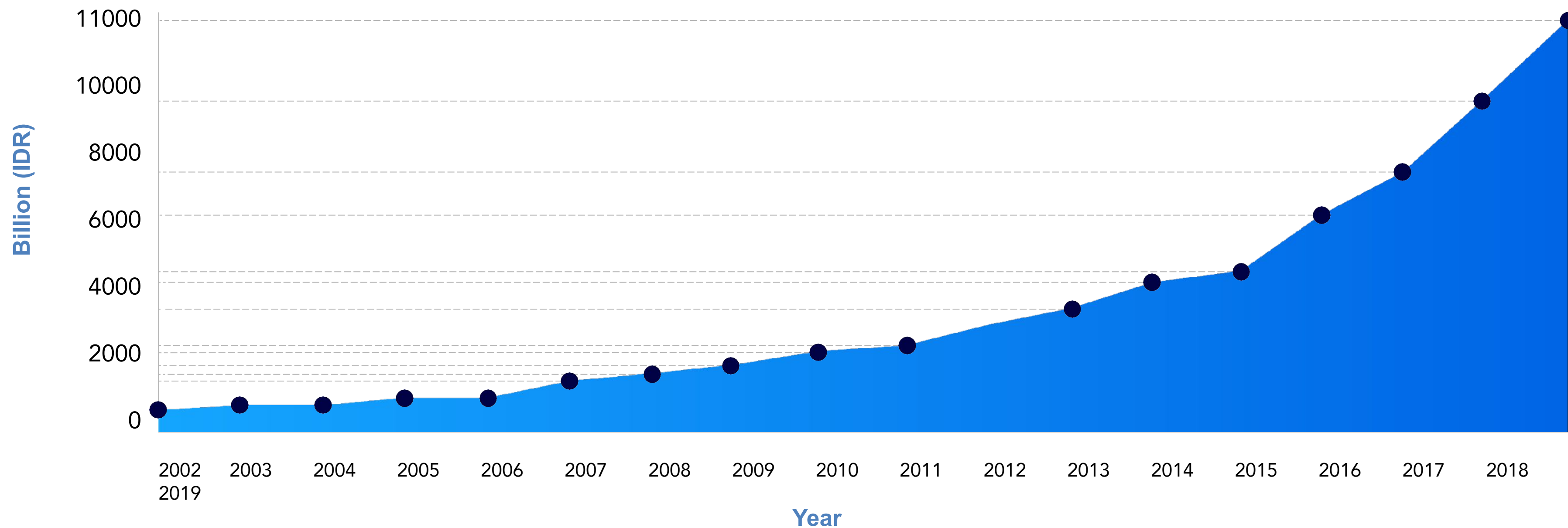


Social
Enterprise

Source: AVPN. 2024. Dive into the strategies and methodologies for financing projects that create meaningful social impact

SPOTLIGHT ON ISLAMIC FINANCING: Potency and Achievement






Growth of ZIS & others collection in 2002 - 2019



SPOTLIGHT ON ISLAMIC FINANCING:

Potency and Achievement

Potential Fund of Zakat

Classification		Potential
 Agriculture	1,41	(19,79)
 Farm	0,68	(9,51)
 Cash money	4,20	(58,76)
 Company	0,48	(6,71)
 Salary-income	9,934	(139,07)
Total	16.7	(233,8)

Billion USD (Triliun IDR)



Blending Islamic Finance and Impact Investing for the Global Goals, 2017

ZIS: Religious Approach for Funding of Humanitarian & Development Support

Funding For Humanitarian Assistance



Emergency response support for disasters, crises, and the impacts of climate change and outbreaks.



Rehabilitation and reconstruction phases to support sustainable development sectors.



Mitigation and preparedness efforts.



Delivery of humanitarian aid.

Development and Empowerment Sectors

Zakat Organization	Program Intervention	Baseline before Intervention	After 1 year intervention
Inisiatif Zakat Indonesia (IZI)	Livelihood in Community Empowerment	Rp2.119.108 (140 USD)	Rp4.886.780 (350 USD)
Dompot Dhuafa	Coffee Village Agriculture	30 hectares of coffee palntation	5 hectares of land expansion on average yoy
Dompot Dhuafa	Horticulture Village Agriculture	Monthly income per HH Rp5.375.000 (380 USD)	Monthly income per HH Rp7.600.000 (500 USD)

Social Enterprise:
Non-Traditional Approach
of Innovative Financing
A Good Practice From Human Initiative

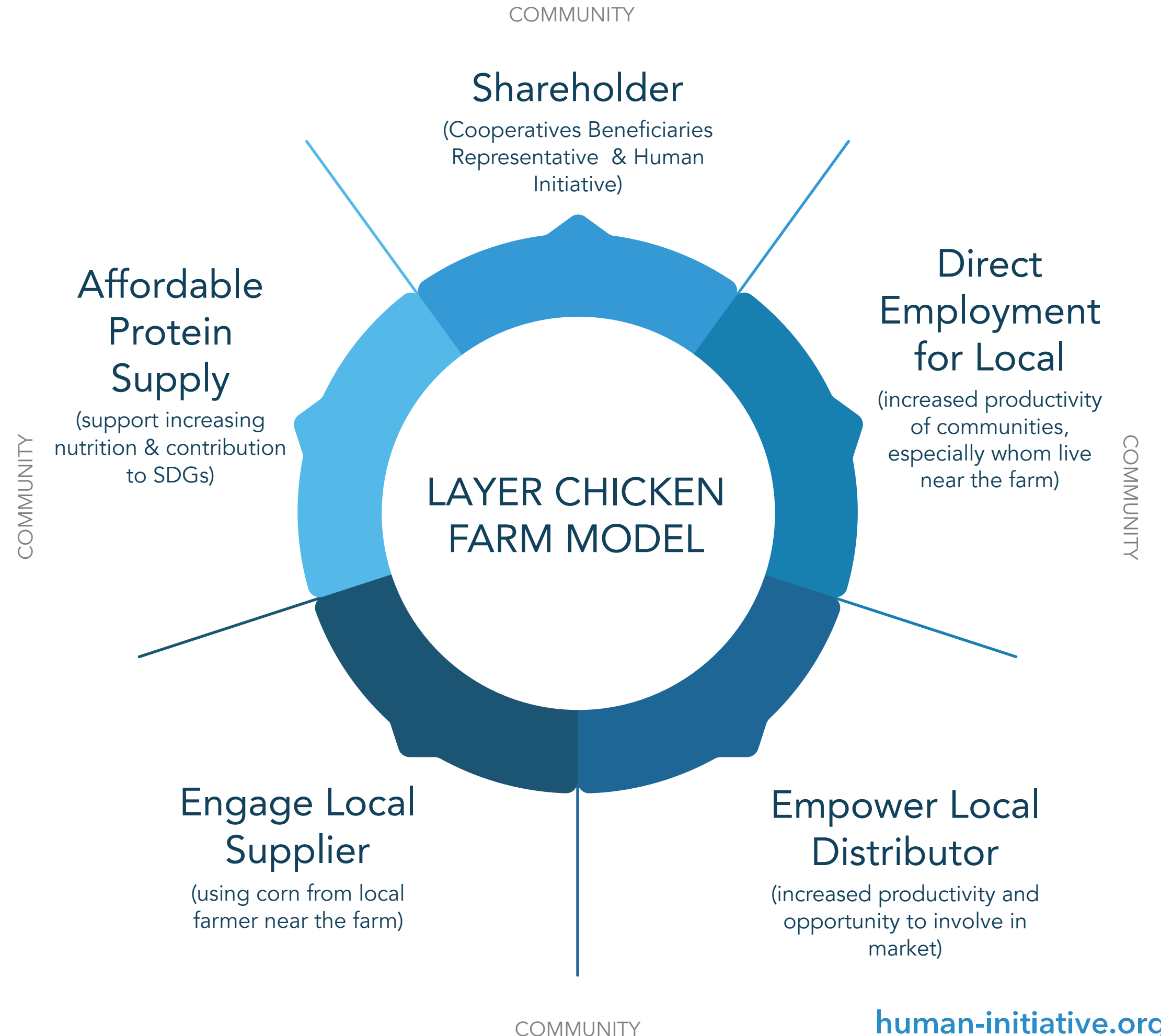
Needs

- High stunting rate in Central Sulawesi (29.7%) in 2021 *(source: Ministry of State Secretariat of the Republic of Indonesia, 2021)*
- Needs of affordable protein to increase nutrition
- High market demand of egg not only in Central Sulawesi, but also surrounding provinces including Kalimantan
- Increasing productive activities and decent job

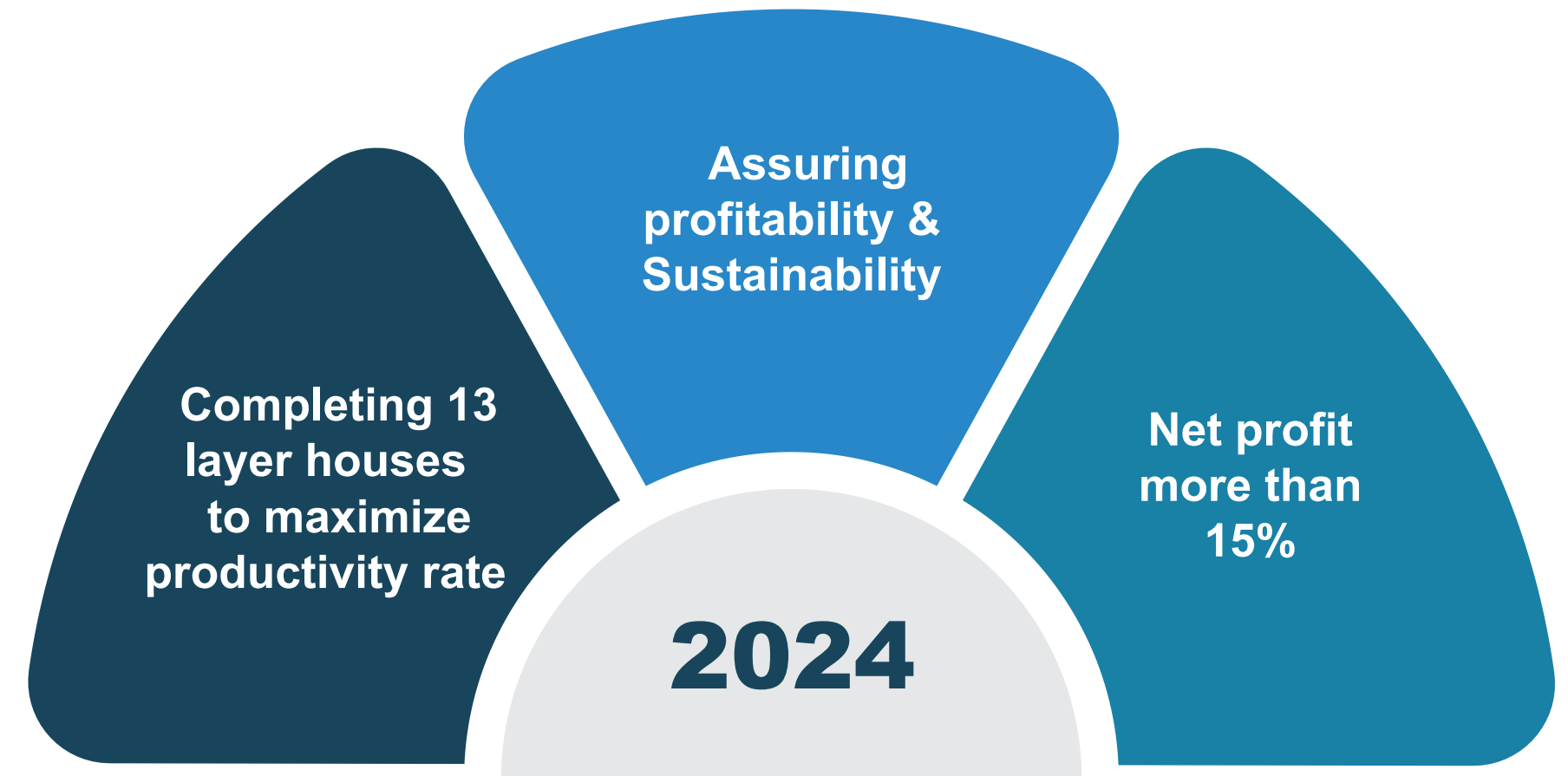
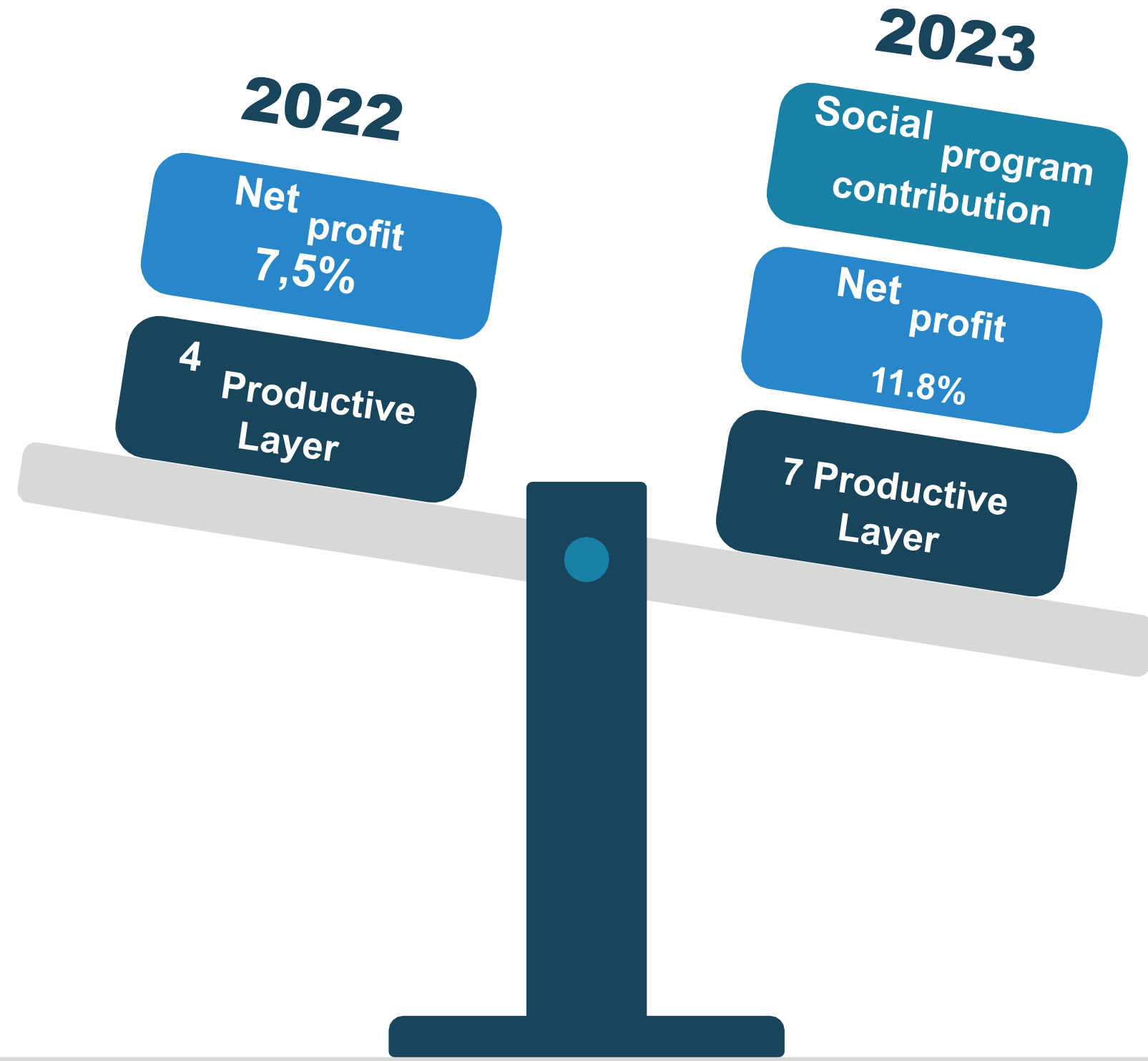


Solution: Layer Chicken Farm

One of social enterprise units to encourage recovery phase in Central Sulawesi and maintain organizational sustainability



Our Journey



Layer Chicken Farm Impact in 2 Years



**More than
\$13,000**

shared as dividend to 2 rural cooperatives as revolving fund to promote sustainable livelihood and Human Initiative



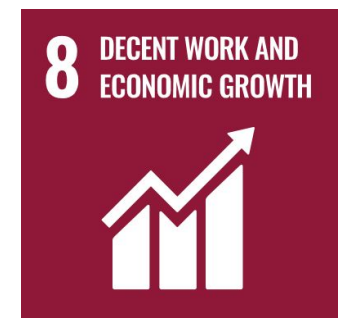
90% workers are local
live surrounding the farm
40% of workers are women



Revenue created by local distributor:
US\$ 691,148
From 2022 to Sept 2024



US\$ 481,130 paid to local supplier, particularly **Farmer.**
Contribute on maintaining their sells



Key Takeaway

01

Faith-based funding instruments are still growing and need to be encouraged to expand their utilisation, including in humanitarian funding

02

Develop a variety of Social Enterprise models that not only ensure the sustainability of the organisation but also support humanitarian operations

03

Open opportunities for income generation for affected communities

Thank You