Innovative Islamic Finance for Sustainable Development

AN OVERVIEW
Why Islamic Finance?

How Innovative?

Applications by IDB and Future Potential.
Why Islamic Finance?

Moral

Multi Channel

Why?

Linked to Real

Diversity
3a. Diversity of Applications

Each sector has its own peculiarities and Islamic Finance has suitable ways to address them.
3b. Diversity of Modes

- Loans
- Sale
- Debt creating markup sale (murabaha)
- Leasing
- Istisna
- Mudharba
- Musharkah
- Various combinations of these
- Various combinations to create trade-able securities (sukuk, shares, waqf certificates, etc.).
4. Multi Channel

Islamic Finance

through Private Sector

through Public Sector

through Voluntary Sector

Socio-Economic Development
How Innovative?

- Fund Mobilization
- Finance Allocation
- Transaction Cost Reduction
What IDB Does?

- Food & Water Security
- Housing
- Energy & Infrastructure
- Education and Health
- Trade

Finance

GNP per Capita & Other Measures of Economic Development
Islamic Financial Sector Development

• Achievements
• Challenges
• Opportunities

Resource Mobilization

• Achievements
• Challenges
• Opportunities
## Some Statistics

### IDB Group Financing Approvals from 1975 to 2013

<table>
<thead>
<tr>
<th>Sectors</th>
<th>No. of Projects</th>
<th>Total Amount US$-MIL</th>
<th>% Amount</th>
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<td>Agriculture</td>
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<td>Water, Sanitation &amp; Urban Services</td>
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Thank You