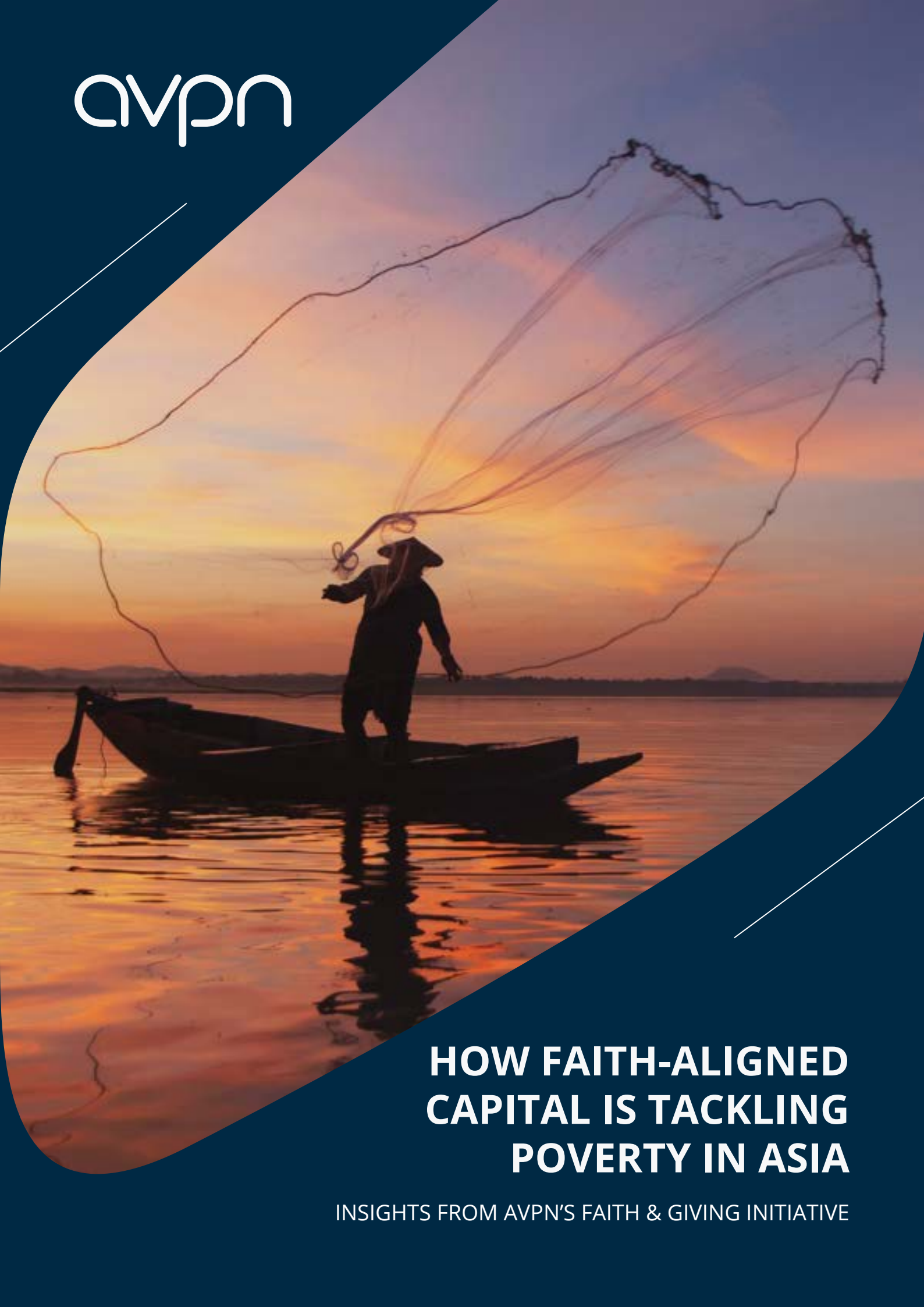




HOW FAITH-ALIGNED CAPITAL IS TACKLING POVERTY IN ASIA

INSIGHTS FROM AVPN'S FAITH & GIVING INITIATIVE

HOW FAITH-ALIGNED CAPITAL IS TACKLING POVERTY IN ASIA

AVPN Faith & Giving

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Authors

Nadya Pryana, Manager, Insights

Siddarth Chatterjee, Senior Associate, Insights & Academy

Sangeetha Watson, Assistant Director, Insights

About Faith and Giving initiative by AVPN

AVPN is fostering an inclusive community where faith and non-faith-aligned actors can converge on shared impact goals. Guided by the principles of practice orientation, neutrality, and inclusivity, we surface best practices, facilitate knowledge exchange, and enable unlikely partnerships among diverse social investors in Asia. Our mission is ultimately to mobilise more capital, both faith-aligned and otherwise, towards achieving the SDGs in Asia. Visit [Faith & Giving in Asia](#) or write us at knowledge@avpn.asia for more information about this initiative.

About AVPN

AVPN is the world's largest network of social investors active in Asia, with over 600 funders and resource providers across 33 markets. AVPN enables collaboration between policymakers, family offices, foundations and the private sector to increase the impact and flow of capital deployed towards closing SDG gaps in Asia. AVPN's mission is to catalyse the movement towards a more strategic, collaborative and outcomes-focused approach to social investing, ensuring that resources are deployed as effectively as possible to address key social challenges facing Asia today and in the future.



INTRODUCTION

Faith-aligned givers have long been at the forefront of efforts to combat poverty in Asia.

The first of the United Nations' 17 Sustainable Development Goals (SDGs), poverty alleviation is a critical social concern prioritised by the global community.¹ As the most fundamental and pervasive challenge facing humanity, alleviating poverty is both essential and extremely challenging. Its multidimensional nature—where economic deprivation intersects with issues of health, education, social exclusion, and systemic inequality—means that any setback can have terrible repercussions. For example, in the aftermath of the COVID-19 pandemic, it is estimated that an additional 67.8 million individuals in Asia were pushed into extreme poverty.² As of 2023, 155 million people in developing Asia persist in extreme poverty, earning less than USD 2.15 per day.³ Poverty is therefore a daunting obstacle that is difficult for any single entity or intervention to solve. It demands cross-sectoral efforts, without which it would be impossible to make any strides towards alleviating, much less eliminating, poverty.

Faith-aligned organisations have long addressed poverty alleviation as a core part of their mission and practice.⁴ Rooted in values of compassion, service, and dignity, they demonstrate the power of poverty alleviation strategies that empower individuals and communities, foster resilience, and create systemic change. Through their extensive networks and community-centric approaches, they are well-positioned to create both immediate impact and forge sustainable pathways out of poverty.

This document aims to serve as a resource for faith-aligned philanthropists and investors to identify allies, both similarly faith-aligned or otherwise, in their journey to eradicating poverty in Asia and beyond. It explores how faith—as well as the principles, values and belief systems that underpin it—has driven the practices of faith-aligned organisations by surfacing real-life case examples of faith-aligned organisations active in Asia. These organisations showcase the value of holistic, innovative approaches and effective partnerships to combat poverty, all the while motivated by and grounded in faith-aligned values such as stewardship, long-term impact generation and generosity.⁵

1 The United Nations (UN). n.d. [Goal 1: End poverty in all its forms everywhere](#).

2 Asian Development Bank (ADB). 2023. [Your Questions Answered: Poverty and Cost of Living in Asia and the Pacific](#)

3 Al Jazeera. 2023. [Asia's poor grew by 68 million people after pandemic, report says](#)

4 In Islam, *Zakat* is an obligatory portion of wealth donated to those in need, emphasising social equity and the alleviation of poverty. Christian givers often focus on values of service and dignity, with acts of poverty alleviation being core to enacting these values. Buddhism emphasises compassion and the alleviation of suffering. In Hinduism, the principle of *Dana* (charitable giving), advocates for helping others as a duty and a means to achieve spiritual growth.

5 AVPN. 2024. [Faith and Giving | AVPN](#).



INSIGHTS

Faith-aligned organisations are applying a holistic approach to achieve the long-term impact they seek.

Most approaches to alleviating poverty tend to focus on the lack of financial resources and basic essentials. However, faith-aligned organisations like the International Justice Mission (IJM), strive to affect systemic change with an awareness that addressing only one aspect of poverty is insufficient to create lasting and transformative change.⁶ They understand that sustained upward mobility and improved socioeconomic status can only occur when the underlying policies, processes, relationships, mindsets, and power structures that impact individuals' well-being are fully and effectively addressed.^{7,8}

Early on, the IJM realised that those living in poverty are also much more likely to experience various forms of abuse, such as gender-based violence, forced labour, sex trafficking and online sexual exploitation.^{9,10} Those exploited are not only emotionally and mentally traumatised, they are also likely to experience serious health issues due to the abuse, and can struggle to secure fair wages, education, healthcare or legal support.¹¹ Additionally, these instances of abuse most often take place in when individuals have little to no access to legal or state protection and are likely to be separated from support networks.¹² As a result, individuals end up trapped in cycles of poverty, where common interventions like microloans or educational opportunities are rendered ineffective.

6 Theology of Development.n.d. [Faith-Based Approaches to Poverty Alleviation: A Comparative Analysis within the Christian Theological Worldview](#).

7 Robert Smith. 2023. [Systemic Change: 7 Examples You Need to Know](#). Systems change refers to the comprehensive renew of policies, processes, relationships, and power structures within a system to address root causes and create lasting impact.

8 Criterion Institute. n.d. [A Blueprint for Faith-based organisation on Using Finance as a Tool for Social Change](#).

9 Wolff, J. 2020. [Beyond Poverty](#).

10 Word Justice Project. 2019. [Measuring the Justice Gap](#).

11 These exploited children, women and men become a "hidden population" who cannot access nor benefit from many of the positive initiatives being developed for those living in poverty. (Sharpe, C., IJM, personal communication, August 22nd, 2024).

12 Word Justice Project. 2019. [Measuring the Justice Gap](#).

IJM is able to address systemic poverty, exploitation, and weak law enforcement by adopting a holistic understanding of how these issues intertwine. The non-governmental organisation (NGO) focuses on building strategic partnerships with local government authorities, corporate partners, civil society and faith-based groups in the communities where they work. Together, these stakeholders work to ensure the enforcement of local laws protecting victims and vulnerable populations, identify and support exploited victims, free supply chains from forced labour; and ensure technology works to protect children and support safe nations. IJM's approach has proven effective in countries across Asia, such as in the Philippines, where the collective leadership and support of its stakeholders have fuelled a 79-85% decline in child sex trafficking and prostitution in brothels across the country.¹³ Successful stories such as these can have follow on impact, underscoring the importance of a holistic approach for potential funders, building public trust in local government, and even stimulating economic growth.



¹³ These same partners are now working to end the online sexual exploitation of children in the Philippines. (Sharpe, C., IJM, personal communication, August 22nd, 2024).

Faith-aligned organisations increasingly emphasise transformational interventions that target both individual and community well-being.

Integral to adopting a systems lens is viewing individuals as part of a broader ecosystem and community. While efforts to restore dignity, justice, mercy, and compassion towards individuals in poverty are core to faith-aligned philanthropy and investment, funders also recognise the value of community-level interventions which drive economic and community development that can stimulate economic growth and reduce poverty rates. This is embedded in Daoism, for example, where prosperity is measured not only in terms of personal wealth or material abundance, but rather in the wellness of the planet, species, and neighbours that harmoniously co-exist with individuals.¹⁴ Similarly, Islamic philanthropy is grounded in the principle of social solidarity towards the poor, orphans, and the needy within local communities.¹⁵

The Aga Khan Development Network (AKDN), is one organisation which adopts this lens in creating and investing in economically profitable and viable enterprises across Asia and Africa.¹⁶ Founded and chaired by His Highness Aga Khan—an Imam (spiritual leader) of the Shia Ismaili Muslims—AKDN believes that businesses that are “aimed at increasing the quality of life in the surrounding area” can improve living standards and form “a part of the productive infrastructure of a nation.”¹⁷

AKDN’s interventions utilise microfinance loans from its sister organisation, Aga Khan Agency for Microfinance (AKAM) to support small, micro and ultra-micro entities as they pursue the stock exchange listing of a mid-size business. AKDN’s Accelerate Prosperity programme in Pakistan, Tajikistan, and Kyrgyzstan, on the other hand, has invested USD 8.8 million and incubated 430 small businesses to date, helping improve the livelihoods of business owners and uplifting them out of poverty.¹⁸

In India, The Tiger Center (TTC) takes a novel approach by incorporating an additional layer of community-based intervention alongside forest and tiger conservation. Established as an extension of their efforts in forest and tiger conservation, TTC is an India-based multifaith organisation founded by Christian philanthropists to preserve the well-being of people and tigers to achieve long-term economic and environmental improvements. TTC’s tiger conservation work is channelled through two pathways. First is a nature-centric approach which encompasses their anti-poaching efforts and advocacy for eco-friendly technology in the villages close to the forest. The second is a human-centric approach that views a healthy environment as an opportunity to improve the livelihoods of communities neighbouring tiger habitats. Ecotourism, for example, has been used by TTC as a way to not only minimise poaching by economically challenged communities but also reduce overall stress on the environment. TTC has also organised workshops teaching people how to process forest waste and partnered with local manufacturers Usha International Ltd to train and certify residents with sewing abilities.¹⁹ These efforts will support residents in setting up their own businesses and supplement their livelihoods, reducing the reliance on poaching activities.

14 FaithInvest. n.d. [DAOISM & FINANCE](#).

15 Dr. Al-Azmi, M. 2024. Foreword. In: Islamic Philanthropy [2024 Annual Report](#), United Nations High Commissioner for Refugees (UNHCR).

16 Muslim spiritual leader [Merriam-Webster dictionary. n.d. [Imam](#)].

17 Aga Khan Development Network (AKDN). n.d. [What We Do: Enterprise Development](#).

18 Aga Khan Development Network (AKDN). n.d. [What We Do: Enterprise Development](#).

19 The Tiger Center. n.d. [People — The Tiger Center](#).

Faith-aligned givers are looking beyond emergency relief, targeting long-term resilience through their interventions.

Deploying aid towards humanitarian crisis, like natural disasters, pandemics and civil unrest, which have a disproportionate negative effect on the poor and vulnerable, is an important way that faith-aligned givers combat poverty.

In Buddhism, poverty is seen as the lack of basic material needs for a decent life free from hunger and disease.²⁰ This is why a core element of Li Ka Shing Foundation's (LKSF) approach over the last 40 years has involved providing assistance to disaster victims. Through the Foundation's Just-in-Time Fund, more than HKD 700 million (USD 89 million) has been deployed to support victims of nearly 30 disasters in Asia and beyond.²¹ Aside from direct aid, LKSF funds disaster rehabilitation projects to rebuild schools and healthcare facilities, such as in the aftermath of the 2008 Sichuan earthquake. Alongside Cheung Kong and Hutchison Whampoa Groups, LKSF funded an education programme to help students overcome the challenges caused by the earthquake.²² Similarly, after the 2018 Palu-Donggala earthquake in Indonesia, LKSF focused on reconstructing and rebuilding affected cities, including hospitals, schools, and key infrastructure.²³ LKSF's approach demonstrates the growing recognition that funds disbursed for crisis response can also be used to initiate long-term resilience and poverty alleviation.

The United Nations High Commissioner for Refugees (UNHCR)'s Refugee Zakat Fund is another example of long-sightedness in action.²⁴ The assistance provided by the Fund—either in cash or goods, depending on the countries—allows families to respond not just to their immediate needs, but also to acquire productive assets that strengthen their economic resilience in the long term. The Fund depends on *zakat* and *sadaqah* contributions from individual donors as well as funding from faith-aligned funders such as Qatar Charity, the Muslim World League, and the Zakat House of Kuwait.²⁵ Since 2017, the Fund has enabled the UNHCR to support over 8 million refugees and internally displaced persons in 28 countries.²⁶ The development of the Fund is itself a consequence of the Islamic practice of giving, with *zakat* being a contribution of one's wealth towards different kinds of beneficiaries (*asnaf*), which includes the poor and needy.²⁷

20 Loy, D. 2011. [The Greatest Wealth is Contentment: A Buddhist Perspective on Poverty](#).

21 Li Ka Shing Foundation (LKSF). n.d. [Just-In-Time Fund | Li Ka Shing Foundation](#).

22 Li Ka Shing Foundation (LKSF). 2009. [RMB 110 Million Education Program to Help Students Affected by the Sichuan Earthquake](#).

23 CNN Indonesia. 2018. [Crazy Rich Hong Kong Donasi US\\$5 Juta untuk Korban Gempa Palu](#).

24 United Nations High Commissioner for Refugees (UNHCR). 2024. [Annual Report](#).

25 *Zakat* (almsgiving) is an Islamic giving practice which obliges an individual to donate a certain proportion of their wealth each year to charitable causes, usually 2.5% of total income and wealth. *Zakat* is technically obligatory upon every Muslim, while *sadaqah* is a voluntary charity that can be performed at any time of year, at any amount. *Waqf*, on the other hand, refers to sustainable, ongoing charitable donation such as cash or fixed assets, which can produce financial return or benefits that develop and support communities. A *waqf* endowment usually benefits the community as a whole, or comes in a form of a facility dedicated to society, such as school, hospital, or library. [Liberto, D. 2024. [Zakat: The Basic Rules for One of the Five Pillars of Islam](#); Islamic Relief Canada. n.d. [Zakat and Sadaqah - What is Sadaqah?](#); International Waqf Fund. n.d. [What is waqf in Islam?](#); Islamic Relief Worldwide. n.d. [Waqf \(endowment\)](#)].

26 United Nations High Commissioner for Refugees (UNHCR). 2024. [Executive Summary - UNHCR](#).

27 Zainulbahar Noor, Francine Pickup. 2017. [Zakat requires Muslims to donate 2.5% of their wealth: could this end poverty? | Zainulbahar Noor and Francine Pickup](#).

Shared interests between the public sector and the faith community create significant opportunities for collaboration and collective action.

Faith-aligned actors are increasingly collaborating with public sector initiatives to achieve shared goals of poverty reduction. Addressing poverty is a central focus of national and regional development agendas across Asia, given its direct link to economic development.²⁸ For example, in its National Long-Term Development Plan 2025–2045, Indonesia aims to reduce its extreme poverty rate to zero per cent within two decades.²⁹ These are also priorities for regional organisations like the Association of Southeast Asian Nations (ASEAN) and the Asian Development Bank, both of which emphasise regional cooperation and economic opportunities as key to narrowing development gaps, alleviating poverty, and building resilient and inclusive communities.^{30 31} Therefore, there is great potential for faith-aligned capital to create deep impact by aligning with these national and regional agenda and accompanying initiatives.

There are some interesting examples emerging from countries with well-established Islamic finance markets such as Malaysia and Indonesia.³² One such example is the iTEKAD initiative, through which Malaysia's central bank, Bank Negara, invests in low-income entrepreneurs and strengthens their financial management and business acumen.³³ Each programme under iTEKAD provides a combination of microfinance, financial training, and other capital, funded by various social investment instruments, including *zakat*, cash *waqf*, and impact investments.³⁴ iTEKAD has partnered with 17 financial institutions to implement the programmes, including private bank CIMB Islamic Bank, whose iTEKAD CIMB Islamic Rider Entrepreneur Asnaf Programme provides B40 communities with working capital, employment opportunities, and entrepreneurial training funded by CSR grant, cash *waqf*, *zakat* fund, and microfinancing facility.^{35 36} In 2024, the Malaysian Government expanded iTEKAD by allocating a USD 5.35 million (RM 25 million) matching grant as seed capital to help iTEKAD participants acquire business assets.

28 Dullah Muloka, et al. 2012. [Is economic growth sufficient for poverty alleviation? Empirical evidence from Malaysia.](#)

29 Antara News. 2024. [Poverty alleviation is development agenda priority: ministry.](#)

30 Association of Southeast Asian Nations (ASEAN). 2015. [ASEAN COMMUNITY VISION 2025.](#)

31 Asian Development Bank (ADB). 2019. [Operational Priority 1: Addressing Remaining Poverty and Reducing Inequalities | Asian Development Bank.](#)

32 AVPN. 2024. [How Values and Beliefs Shape Giving in Asia.](#)

33 Bank Negara. 2023. [BNM Annual Report 2023.](#)

34 Bank Negara. n.d. [Social Finance - Bank Negara Malaysia.](#)

35 B40 is a term used to describe the lowest income groups in Malaysia, representing the bottom 40% of income earners. [Malaysian Employers Federation (MEF). 2023. [T20, M40, B40 Household Income Update 2023](#)].

36 Bank Negara. n.d. [Social Finance - Bank Negara Malaysia.](#)



In Indonesia, the National Board of Zakat for the Republic of Indonesia (BAZNAS) partners with the Provincial Government of Jakarta and five corporates to provide meal assistance to the poor through the use of meal vouchers available in *warungs*, or small local eateries, funded by *zakat* and *sadaqah*.^{37 38} Since 2021, the *Semua Bisa Makan* programme leverages Islamic finance capital to provide relief to poor communities, motivated by Islamic values of generosity and distributive justice. The programme also generates additional income for the *warungs*, small, micro, and ultra-micro business entities that might face difficulties in revenue generation.³⁹

37 BAZNAS is the Indonesian government agency responsible for zakat and other Islamic social funds management.

38 RMOL. 2021. [Anies Baswedan Resmikan Program Semua Bisa Makan Baznas Bazis DKI Jakarta](#); Siregar, K. L., & Shergi Laksmono, B. (2023). Kerja Sama Baznas (Bazis) Jakarta dan Perusahaan dalam Program "Semua Bisa Makan". *Innovative: Journal Of Social Science Research*, 3(6), 4946–4961. <https://j-innovative.org/index.php/Innovative/article/view/6252>.

39 Siregar, K. L., & Shergi Laksmono, B. (2023). Kerja Sama Baznas (Bazis) Jakarta dan Perusahaan dalam Program "Semua Bisa Makan". *Innovative: Journal Of Social Science Research*, 3(6), 4946–4961. <https://j-innovative.org/index.php/Innovative/article/view/6252>.

Faith-aligned organisations are increasingly collaborating with corporates to empower local communities and drive economic development.

Given their deep roots in the communities where they are present, faith-based organisations can be key partners for businesses looking to create positive social impact. Consider, for example, the Shri Kshetra Dharmasthala Rural Development Project (SKDRDP), founded by the faith leader of a Hindu temple in Dharmasthala in Karnataka, India.⁴⁰ SKDRDP fosters inclusive rural development by strengthening community collectives and initiating strategic and long-term partnerships with businesses. Going beyond short-term Corporate Social Responsibility (CSR) programmes, SKDRDP establishes partnerships with various businesses across the country to expand access to banking services for the unbanked rural population. SKDRDP also acts as a banking correspondent, business facilitator, and agent for six major commercial banks, including the State Bank of India and Karnataka Grameena Bank.⁴¹

These strategic partnerships enhance financial inclusion, providing a platform to deploy microfinancing to community-level self-help groups (SHGs), particularly those with low incomes. These groups typically comprise 10 to 20 members—primarily women—who collectively plan their household needs and pool savings.⁴² They also take a collective approach to credit, working as a group to take out affordable loans for domestic and agricultural needs.⁴³ SKDRDP acts as an intermediary, assisting them in opening joint savings accounts and accessing loans from local banks, so members can take advantage of affordable interest rates which are considerably lower than those of similar fast-growth microfinance institutions elsewhere.⁴⁴ These services have generated immense outcomes: in 2023, more than five million individuals were reported to participate in over 640,000 SHGs which collectively maintain an active portfolio of more than USD 220 million.⁴⁵



40 Ashden. 2012. [Shri Kshethra Dharmasthala Rural Development Project \(SKDRDP\) - Ashden](#).

41 Shri Kshetra Dharmasthala Rural Development Project (SKDRDP). n.d. [Linkage to the Banks](#).

42 Ashden. 2012. [Shri Kshethra Dharmasthala Rural Development Project \(SKDRDP\) - Ashden](#).

43 Ashden. 2012. [Shri Kshethra Dharmasthala Rural Development Project \(SKDRDP\) - Ashden](#).

44 Ashta, A. (2014). [An Introduction to Slow Money and its Gandhian Roots](#).

45 Shri Kshetra Dharmasthala Rural Development Project (SKDRDP). 2023. [SKDRDP Annual Report 2022-23](#); Ashden. 2012. [Shri Kshethra Dharmasthala Rural Development Project \(SKDRDP\) - Ashden](#).

Beyond financial inclusion, SKDRDP also strategically partners with businesses to strengthen the social protection system for the poor through access to insurance programmes, such as the Jeevan Madhura Life Insurance, sponsored by Life Insurance Corporation of India (LIC), with whom SKDRDP acts as the broker; and the Sampoorana Suraksha Health Insurance, an SKDRDP subsidiary company. These programmes provide comprehensive health coverage at an affordable annual premium rate for subscribing SHG members and their families.⁴⁶ Such schemes address common challenges often faced by the poor community—such as unexpected medical expenses—that can drain savings and push families into debt. As of 2023, almost half a million individuals were enrolled in various SKDRDP's insurance initiatives.⁴⁷



46 Shri Kshetra Dharmasthala Rural Development Project (SKDRDP). n.d. [Health Insurance – SKDRDP](#); Ahmed, S. I. (2007). Sampoorana Suraksha Insurance programme – Dharmasthala experience. Centre for Insurance and Risk Management, Institute for Financial Management and Research. https://www.social-protection.org/gimi/Media.action%3Bjsessionid=26kpUCWfjPGCsTGBEPz_v1TplfOlK3um-MLr23nebH8YrkMiF9Ujq!-765179005?id=7690.

47 Shri Kshetra Dharmasthala Rural Development Project (SKDRDP). 2023. [SKDRDP Annual Report 2022-23](#).

CONCLUSION

While significant strides have been made in economic growth in Asia, millions remain trapped in poverty, facing the harsh realities of inequality, hunger, and lack of access to basic services. The SDGs offer key benchmarks for a more just and equitable future, but their realisation requires a multi-faceted approach.

The approaches of faith-aligned organisations in poverty alleviation contain important lessons for philanthropists, impact investors and intermediaries and others in the ecosystem. Philanthropists can adopt a two-pronged approach, combining individual-level interventions with community-level initiatives to achieve deeper and more sustained impact. Impact investors can explore innovative financing tools and models developed by faith-aligned organisations which align with their values and goals. Intermediaries can play a crucial role in connecting funders and resource providers with faith-aligned organisations, facilitating partnerships and exploring new financing mechanisms. By drawing on the experiences and lessons of faith-aligned organisations, stakeholders in the poverty alleviation ecosystem can develop more effective and sustainable strategies to address this pressing global challenge.

Faith-aligned organisations are also invaluable collaborators for poverty alleviation. By aligning on shared values and mutual goals around the upliftment of communities through poverty eradication, all relevant stakeholders—faith-aligned or otherwise—can effectively partner in delivering impactful solutions. Together, we can build a future where poverty is eradicated and the promise of the SDGs is realised for all people in Asia.

AVPN aims to build a community of faith-aligned givers in Asia who can learn from one another, partner and co-create inclusive solutions that can drive the just and sustainable outcomes we seek. Be part of our community – find out more by visiting [Faith and Giving in Asia](#) or write to us at knowledge@avpn.asia.





@ info@avpn.asia

 avpn.asia

 171 Tras Street, Union Building, Level 10, Singapore,
0790252

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