



Update on the Resolution for Africa's Economic Upliftment

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THE
WORLD
FEDERATION

OF KHOJA SHIA ITHNA-ASHERI MUSLIM COMMUNITIES

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INTRODUCTION

At the 2003 triennial conference held in Dubai, a members' resolution proposed by Africa Federation was passed to dedicate the presidential term of 2003 - 2006 to the eradication of poverty and to focus on the economic upliftment of our community in Africa, concentrating in the main on Education, Housing and Economic Upliftment. Accordingly, in March 2004, at the Executive Council meeting in Brampton, an action plan for education and housing was formulated on the understanding that both Africa Federation and the World Federation will work as a joint team without the imposition of hierarchy. For further information please refer to the attachment detailing the preliminary agreement on the implementation of the resolution.

EDUCATION

The priority for the Africa Federation is the provision of higher education for which an education fund has been established. It is known as the ZULFIKAR ALI KHIMJI MEMORIAL EDUCATION FUND (ZAKMEF) named after the late Chairman of the Africa Federation, Marhum Alhaj Zulfikar Ali Khimji. The plan is to set up this fund to generate a regular income for the sponsorship scheme.

It is considered as the most important aspect of the Economic Upliftment, not only to ensure that the most deserving do not fall through the net but to also sustain credibility of the project for the long-term.

In this regards options for students pursuing higher education at universities in South Africa, Australia, New Zealand, Malaysia and India are also being seriously considered.

It has been identified that the quality of education offered by the universities in these countries is of equal if not better quality than those offered in the More expensive Universities of Europe and Americas. These options will not only be cost effective, as they are a fraction of the cost compared to comparable institutions in the West, but that they will encourage students who would have otherwise shied away from incurring large borrowing commitments to pursue further education. This will also address a concern for the community of Africa that in the past decades they have suffered from migration of those students who have not returned from the West. To sustain the economic self sufficiency of the African Jamaats, preserving the educated youth is vital for they enrich the community by their participation.

Originally it was proposed to involve a financial institution which would participate in the fund and then administer the fund. At the time, an institution was identified and in principle an agreement had been reached. However upon further negotiations it turned out that due to laws governing the financial institutions by the respective countries in which they operated, it was not going to be possible to have this scheme in place. Therefore a complete rethink was required and it is now proposed to invest into real estate which would provide returns to fund the program. The investment being sought is for US\$ 4.0 Million and the return on this development, is envisaged to be in the tune of US\$ 450,000/- per annum. The development is marked to be Daresalaam comprising of 40 residential Flats and 8 Shops on a 10 Storey highrise in the up-market area of United Nations Road.



As it stands the fund has raised US\$ 1,000,000/- and there are pledges of US\$ 500,000/- from Daresalaam and US\$ 350,000/- from Mombasa. Here we seek that the Conference of the World Federation endorse this program and give its blessings by propagating the support of this scheme within our community across the globe and play its role in ensuring that the Higher Education Loan Program becomes a scheme which is established as desired and the demand can be fulfilled perpetually.

In addition to this the MULLA ASGHAR MEMORIAL ACADEMIC SCHEME has also begun taking shape. This scheme sees the students from the less fortunate homes, gain access to the Primary and Secondary Education. Obviously the education plan has to be from the foundation level and this scheme needs to be given equal importance as this is the feeder lane for the students who will then be able to embrace the Higher Education. Currently The Africa Federation is already funding on a yearly basis and has 50 students enjoying under this portfolio. Having launched it in October 2005 the disbursement stands at over US\$ 20,000. Being that the scheme has only just been launched, it is expected that this demand will steadily rise to approximately US\$ 75,000/- per year.

HOUSING

During the next couple of years, Africa Federation is committed to initiating housing projects where properties will be owned by the individuals in Dar-es-Salaam, Arusha, Nairobi, Madagascar and Mombasa.

SURVEY

There are various types of people requiring housing and falling under the following categories:

1. Most unfortunate families who cannot afford to pay anything towards housing, and, who are being looked after by concerned Jamaats (Welfare cases).
2. Those families who cannot pay full market rent, so are being subsidized by Jamaats and/or relatives.
3. Those families who can pay full market rent but do not have enough funds to pay deposit for the ownership, but can pay partial down payment.
4. Those who can pay deposit ranging from 30 to 50 percent and then pay enough amount of monthly instalment to eventually pay for the cost of apartment. (as they are presently paying rent without hope of owning the houses they live in).

It is estimated that one 3-bed room apartment of about 1,700 sq. feet (excluding land) will cost about \$30,000.



WAY FORWARD

The Executives of Afed and World Federation met with the Housing Board Chairman at Nairobi on 5th September, 2004 to review the housing project and decided that, the objective of the Housing Scheme shall be:

To promote housing scheme for such people as are able to eventually own their own housing by paying a reasonable deposit at the time of booking and then pay monthly instalments of such an amount so as to complete payment of the cost over a period of 20 years. Such people who cannot fall under the above category will also be catered for separately.

FUNDING

It is realized that the amounts required are huge, and, bearing in mind the various capital projects going on presently around the world, it may not be possible to raise the whole requirement as donations, although the Executives have full faith in the spirit of our brothers world-wide to always rise to the occasion and help all community projects. It is, therefore, envisaged that the funds will be raised as follows:

The community world-wide be approached to donate to this scheme.

The local Jamaats to contribute land which they already own and are suitable for this scheme. The market value of land will form part and parcel of the cost of the apartments to be built and will be recovered by instalments from buyers and paid over to the Jamaat.

In this regards Daresalaam and Mombasa have already identified land and have their projects on the drawing board. Daresalaam are planning to build 96 Flats which will be developed for both types of residences (Ownership and Welfare). Mombasa have also got the Land identified where they are proposing to develop 64 Flats to cater for both types of cases.

A Total of 150 Units were to be built over the term of three years. It is estimated that the cost of this development will run into the region of US\$ 4.5 Million It is envisaged to raise the funding as

1. Contribution from local Jamaat in the form of land
2. Deposit from buyers at 30 percent \$ 750,000.00
3. Donations \$ 3,000,000.00
4. Loans \$ 750,000.00

Total \$4,500,000.00

Once the first phase is completed, the scheme will be taken to cater for the next phase and so on till, Inshallah, the scheme is completed and everyone in Africa owns his own house to live in.



The position at three targeted cities is as follows:-

1. Mombasa

A plot has been donated to Jamaat. The Jamaat has decided to dedicate this plot to build 64 flats – 32 for needy and 32 for tenant purchase. Drawings have been prepared and the the project is nearing take off.

2. Nairobi

A piece of land was identified at Kshs. 20 million. Funds for purchase was also committed to Jamaat. However, this transaction was put in abeyance as the government has announced a freeze for six months for any new construction, till it comes out with a new policy. Inshallah, Nairobi project will go ahead at appropriate time after the government policy is known.

3. Dar-es-Salaam

The Managing Committee of the Jamaat has decided to construct flats on part of the plot on Morogoro Road., which is very ideal. The Housing Board of the Africa Federation has arranged a five year interest free loan of US \$ 250,000 as seed money from Late Fidahusseini Rawji Trust of Pakistan. How long we can count its availability (if we do not utilize it soon) is a question mark.