

# ISLAMIC PHILANTHROPY



**UNHCR**  
The UN Refugee Agency

2020 Annual Report

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# 1. Foreword

Today, the total number of forcibly displaced persons worldwide is at a staggering 70.8 million, with three countries accounting for almost 60% of all refugees under UNHCR's protection mandate: Syria (6.7 million refugees), Afghanistan (2.7 million) and South Sudan (2.3 million). Internal displacement is also a matter of concern to UNHCR, especially in nations such as Yemen, Syria, and Iraq. It is a sad fact that wars, conflicts, persecution, and climate change are not going away. Hence, the number and needs of forcibly displaced populations are forecasted to continue increasing.

With more than 60% of displaced populations, including refugees and internally displaced persons (IDPs), originating from member states of the Organisation of Islamic Cooperation (OIC), UNHCR identified a strategic and long-term alignment between Islamic philanthropy, in particular Zakat, and meeting the humanitarian needs of forcibly displaced people. In 2019, UNHCR launched the Refugee Zakat Fund, a trusted, compliant, and effective distribution mechanism that aims to harness the power of Zakat to transform the lives of the most vulnerable refugee and IDP families.

The Refugee Zakat Fund is an innovative engagement tool created by UNHCR to strengthen partnerships and collaboration with Zakat institutions and foundations. The Fund is backed by five fatwas, allowing UNHCR to distribute Zakat under certain conditions. These Fatwas form the basis for UNHCR's Zakat compliance and inform our rigorous governance tools to ensuring transparency at every step of the program, ending with the distribution of 100% of Zakat funds to eligible families. Zakat compliance in UNHCR is two-fold: 1) beneficiaries: determining eligibility through an annual vulnerability assessment, and 2) financial – 100% Zakat distribution policy: no fees or wages are deducted from Zakat funds; hence these funds in their entirety go directly to eligible beneficiaries. UNHCR covers overhead costs from non-Zakat contributions. This is a very efficient methodology to maximize the impact of Islamic Philanthropy, whereby UNHCR subsidizes the distribution of Zakat in some of the most challenging settings in the world.

Looking back at 2019, we are proud and humbled to have been able to assist over one million beneficiaries with Zakat funds across hard-to-reach areas in Africa, MENA, and Asia. This was only possible through strong collaboration and partnerships with a number of philanthropists and foundations, that I sincerely applaud through this platform. The high trust our partners placed in us motivates us to expand the outreach of the Refugee Zakat Fund and explore other Islamic social finance tools that can be utilized to support those most in need among displaced populations. We call upon organizations and individuals active in the areas of Islamic philanthropy to consider the cause of refugees, and partner with UNHCR in the face of ever-increasing global humanitarian crises.



**Khaled Khalifa**

Senior Advisor

Representative to the Gulf Cooperation Council Countries

UNHCR

Assalam Alaykum,

For several years now, I have been closely observing the unfolding situation of refugees and internally displaced persons (IDPs) around the world. Displaced communities are, without a doubt, one of the most vulnerable populations that require close and strategic attention from philanthropists wanting to make a serious impact on the state of the globe. That being said, and as a devoted Muslim, I am very proud that Islam requires believers to assist and protect vulnerable people and offers several mechanisms for their care and support. This responsibility is formalized in Surat An-Nisa of the Holy Qur'an, which states that: "He who emigrates in the path of God will find frequent refuge and abundance" [4: 97-100]. Qur'anic verses show that migration 'Hijrah' can become a necessity for anyone in times of trouble or when one's life and beliefs are in danger.

Another key mechanism that Islam has put in place in support of refugees is Zakat, through mentioning Abna' Al Sabeel (stranded travelers or wayfarers) as an eligible category of Zakat beneficiaries: "Alms are only for the poor and the needy, and those who collect them [Zakat], those whose hearts are to be reconciled, captives, debtors, in the cause of Allah, and wayfarers..." [9:60]. Abna' Al Sabeel refers to 'travelers' that don't have enough money during their journey. These persons are eligible to receive Zakat in order to finish their journey, even if they are rich in their own country. If they cannot access the money during their travels, then Zakat can be given to them. So, the criteria here is the situation of the person being away from his/her country of origin, rather than poverty. Obviously, if the traveler is also poor, needy, or in debt (which is the situation of many of today's refugees), then this reinforces eligibility for receiving Zakat, as he or she would enter in two or more categories of Zakat beneficiaries.

Keen on realizing my Zakat duties in the most impactful and strategic way possible; I established in 2019 the 'Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund,' which aims, via collaboration with UNHCR, to assist the most vulnerable refugees and IDPs in hard-to-reach areas. In 2019, I was quite satisfied with the impact achieved by UNHCR through our funds in Bangladesh and Yemen in particular. In Yemen, the assistance supported some 41,501 IDP families, returnees, and host communities with much-needed cash support, allowing them to cover basic needs, including rent expenses. While in Bangladesh, we managed to assist 106,313 Rohingya families and 84,410 host community members with multi-faceted interventions, including the provision of shelter reinforcement and repair, sufficient essential domestic items, medications, and cash assistance.

UNHCR has been professionally and transparently managing Zakat funds: ensuring Zakat compliance and dedicating 100% of relevant funds to the most vulnerable beneficiaries, in line with the requirements of the fatwas that UNHCR has in place for the governance of the Refugee Zakat Fund. The Muslim world has a historic opportunity to further demonstrate the significant role of Islamic social finance, and particularly Zakat, in humanitarian assistance, through extending a helping hand to the world's displaced populations, while realizing key Sustainable Development Goals. This is an open invitation to philanthropists and foundations in the Muslim world to consider refugees and IDPs in their programming.



**Sheikh Thani Bin Abdullah Bin Thani Al-Thani**

UNHCR Eminent Advocate

Founder of Ezdan Holding Group

Founder of the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund

## 2. Executive Summary



**The Refugee Zakat Fund has addressed the needs of more than one million refugees and IDPs in 2019.**

During the first year of its inception, the Fund has assisted 1,025,014 beneficiaries in eight countries. This includes Syrian refugees in Jordan, Lebanon and Egypt, Rohingya refugees in Bangladesh and Malaysia, Malian refugees in Mauritania, and IDPs in Yemen and Iraq. All such assistance was carefully delivered through Zakat-compliant cash and in-kind distribution activities, including hard-to-reach areas. This has been a critical milestone for the Fund and its potential with Zakat distribution.

UNHCR, through its Refugee Zakat Fund, follows an effective 100% Zakat distribution policy as dictated by the requirements of the fatwas<sup>1</sup>. With increasing humanitarian needs globally, the entirety of Zakat funds is used to support the most vulnerable refugee and IDP families in key country operations. Zakat funds have advocated dignified living conditions to beneficiaries by allowing them to address basic needs such as shelter, food, education, and healthcare, as well as debt repayment. This assistance has been particularly vital to female-led households who often face cultural, legal, childcare, and job-related obstacles. Zakat-funded assistance has prevented many from facing severe hardships and resorting to desperate survival strategies – such as pulling children out of school and child labor.

**In 2019, Zakat funds have covered approximately 12%<sup>2</sup> of UNHCR's expenditure on cash and in-kind assistance activities identified as Zakat-compliant in the eight targeted countries.**

This impact was made possible through the generosity of Zakat partners and donors who have entrusted UNHCR with the distribution of \$43.165 million in Zakat funds in 2019, in addition to \$222,907 in Sadaqah donations and purification funds. While the Fund's impact continues to grow significantly, the number of displaced and host communities, and subsequently their needs, continue to increase as well. In 2019, Zakat funds covered approximately 12% of UNHCR's expenditure on cash and in-kind assistance activities identified as Zakat-compliant in the eight targeted countries.

To adequately address urgent needs across the Fund's target countries, UNHCR will require \$2.1 billion in 2020 to support a population of concern of 8.9 million persons, out of which the Fund has the capacity to assist 2.2 million beneficiaries and distribute \$482.7 million in Zakat and Sadaqah funding. This would only be possible through the on-going support of various Zakat partners, in order to realize the full potential of the Refugee Zakat Fund in assisting the most vulnerable refugee and internally displaced families worldwide.

**The significant impact achieved by UNHCR's Refugee Zakat Fund was made possible through partners.**

Created primarily as a tool for impactful partnerships, the Fund has now positioned itself as a trusted, compliant and effective distributor, harnessing the power of Zakat to transform the lives of the most vulnerable refugees and IDPs. With its capacity to assist 2.2 million refugees and IDPs in 2020, the sustainable engagement of foundations, Islamic financial institutions, and philanthropists is vital for the achievement of such an impact. In addition to leveraging a growing awareness in the Islamic finance and philanthropy community globally, as well as an increased desire to address global displacement and Sustainable Development Goals (SDGs) by Islamic social finance actors, the Fund presents itself as an opportunity for strategic collaboration, not only through Zakat and Sadaqah, but other areas such as Awqaf and Sukuk as well.

<sup>1</sup> UNHCR Zakat Collection And Distribution Report. (2019, May). Retrieved from UNHCR Zakat Fatwa: <https://unhcrzakatfatwa.com/>

<sup>2</sup> This percentage is based on 2019 expenditure estimates as of 16 March 2020. Exact expenditure figures will be provided in UNHCR's Global Report to be launched on World Refugee Day, 20 June 2020.

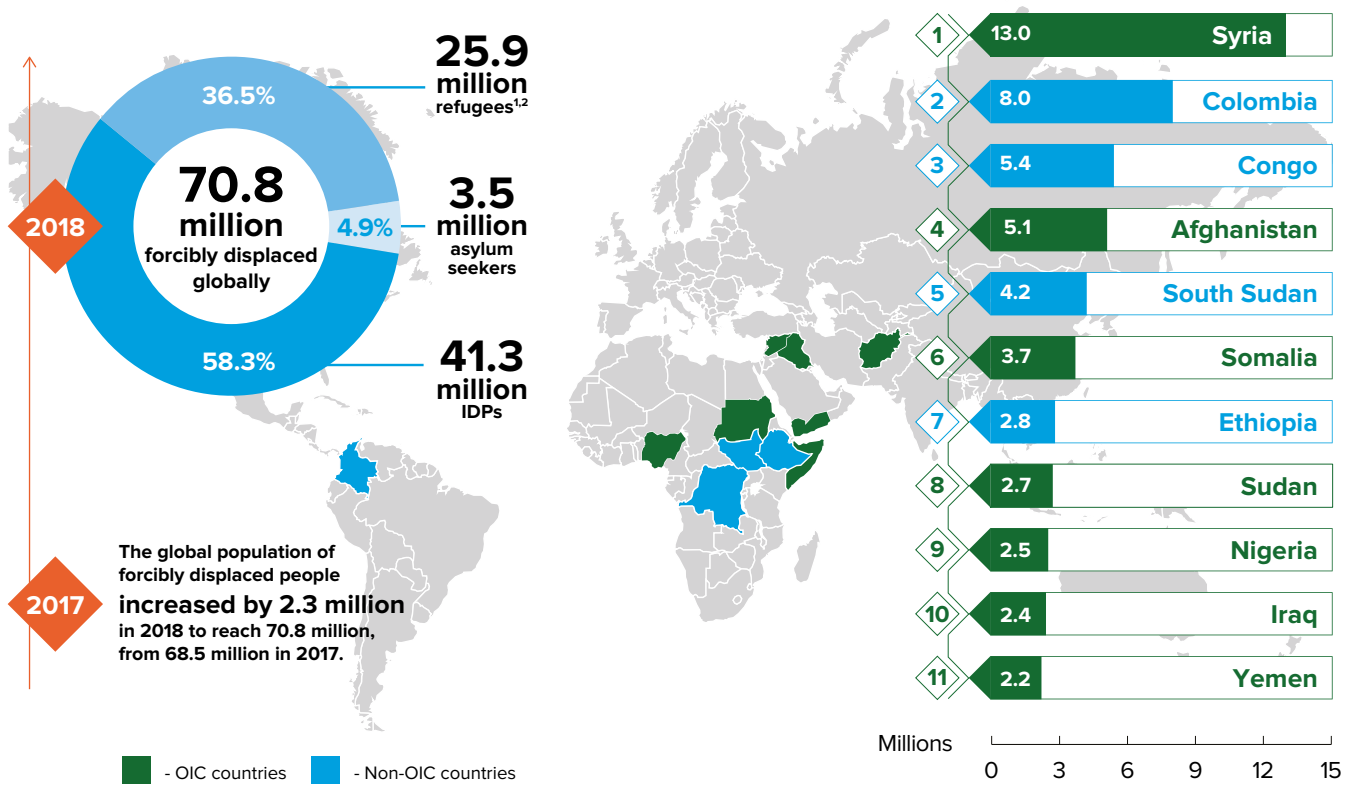




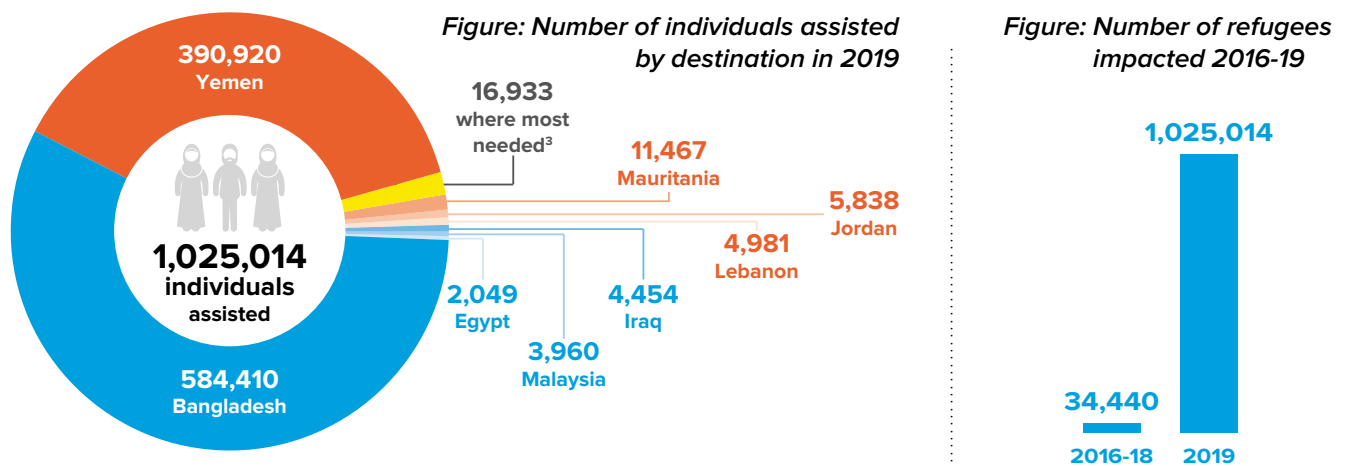
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# 3. Visualizing Refugee Zakat Fund Impact

Addressing a growing forcibly displaced global population that reached 70.8 million in 2018 of which the majority are from members states of the OIC



Major impact achieved in serving more than one million beneficiaries in eight countries during 2019 (with \$43.16 million funding) delivering Zakat-compliant cash and in-kind distribution including in hard-to-reach areas

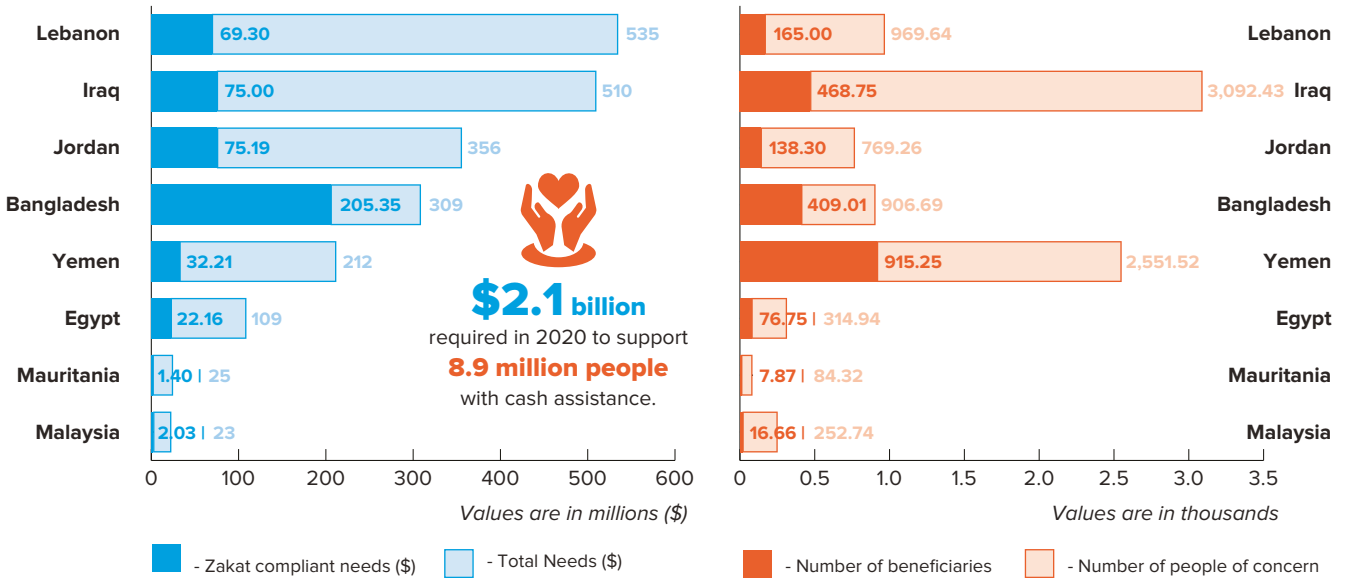


1 Total number of refugees globally stands at 25.9 million. 20.4 million is the number of refugees under UNHCR's mandate, and does not include 5.5 million Palestinian refugees who fall under UNRWA's mandate.  
 2 2019 figures will be published on World Refugee Day 2020  
 3 Funds received under where most needed category, were distributed fully to refugees in Lebanon based on needs assessments.



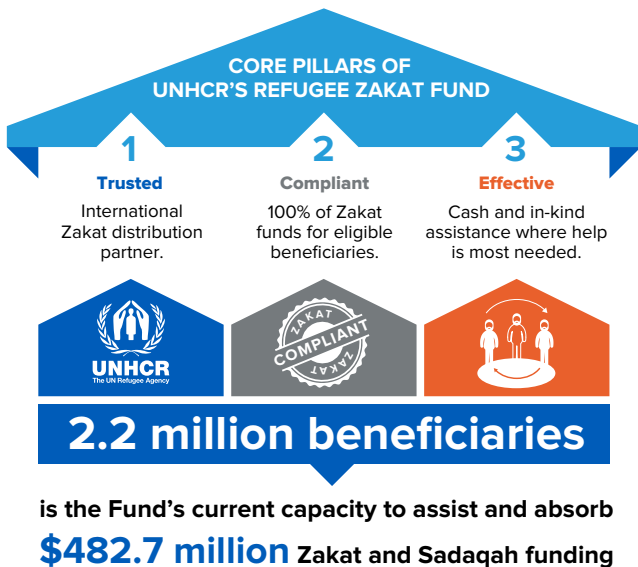
A significant gap remains in serving an estimated 8.9 million refugees and IDPs in the eight countries where Zakat distribution is currently active<sup>4</sup>

Figure: UNHCR's 2020 overall budget needs vs. Zakat-compliant needs in countries where UNHCR distributes Zakat



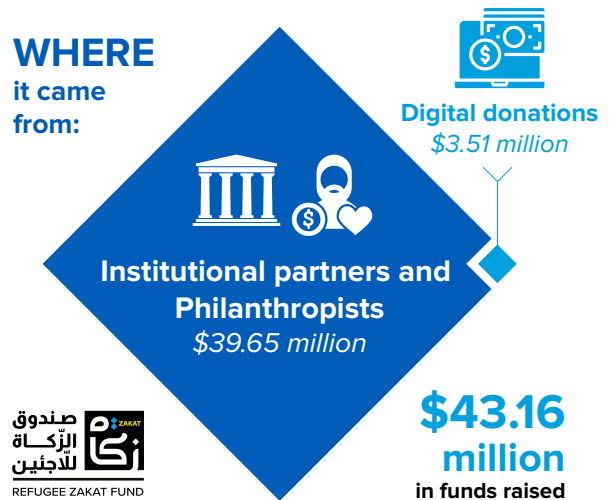
In 2019, Zakat funds have covered approximately **12%** of UNHCR's expenditure on cash and in-kind assistance activities identified as Zakat-compliant in the eight targeted countries.

Partnerships continue to be UNHCR's focus to realize the Refugee Zakat Fund capacity and to assist 2.2 million beneficiaries in 2020



### Zakat funds raised

WHERE it came from:



**Next?** ▶ **Setting up a Waqf (Islamic endowment) fund** for long-term sustained support of refugees

<sup>4</sup> This is part of UNHCR's 2020 global budget of USD 8.66 billion

# 4. Refugee Zakat Fund Impact 2019

## 4.1 Overview

The Refugee Zakat Fund has gained significant trust from partners since its pilot in 2016 and subsequent launch in 2019. Starting with assisting eligible refugees in Jordan and Lebanon, the Fund now distributes Zakat contributions across eight countries including Bangladesh, Egypt, Iraq, Mauritania, Malaysia and Yemen. In the face of a deepening refugee crisis worldwide, the Fund has the potential to extend its geographical reach worldwide.

## 4.2 The Refugee Zakat Fund's Journey

The Refugee Zakat Fund is the result of several years of careful strategic planning by UNHCR, stemming from the realization of an alignment between UNHCR's mandate and the principles of Islamic social finance. Five fatwas were obtained in 2016, allowing UNHCR to distribute Zakat, and governing the process of distribution.

UNHCR began the Fund's distribution pilot in Jordan and Lebanon between September 2016 and December 2018, due to the advancement of its cash assistance programs in both countries. With its official launch in 2019, the Refugee Zakat Fund has gone from strength to strength, expanding its footprint into eight countries by the end of the year – spanning Bangladesh, Egypt, Jordan, Iraq, Lebanon, Mauritania, Malaysia and Yemen.

An important measure of the Fund's impact is the number of families/ individuals reached in key countries of operation for UNHCR. These include hard-to-reach-areas that the Fund has been able to assist with various interventions, especially through cash assistance. Accordingly, the Refugee Zakat Fund far exceeded its original 2019 distribution target of 24,000 families (124,085 individuals), managing to reach 191,497 families or (1,025,014 individuals).

Zakat funds of \$43.165 million were received in 2019, with donations from institutional partners and philanthropists primarily from the MENA region. This figure also includes \$3.51 million received through the Fund's digital donations platform.

The Refugee Zakat Fund has also expanded its operations beyond Zakat to include Sadaqah contributions,<sup>1</sup> which was launched post-Ramadan in August 2019, with the aim of supporting water, sanitation and hygiene (WASH) projects in hard-to-reach areas such as Bangladesh and Mauritania. Other programs supported by Sadaqah donations included health activities in Bangladesh and education in Somalia.

In exploring these alternative avenues of Islamic finance, the Refugee Zakat Fund was able to receive \$222,907 in non-Zakat Funds, including \$117,812 in Sadaqah, in addition to \$105,095 in purification funds.<sup>2</sup>

1 UNHCR expands donation possibilities through introduction of Sadaqah Jariyah to its global Refugee Zakat Fund. (2019, Aug). Retrieved from bizToday: <https://www.biztoday.news/2019/08/06/unhcr-expands-donation-possibilities-through-introduction-of-Sadaqah-jariyah-to-its-global-refugee-zakat-fund/>

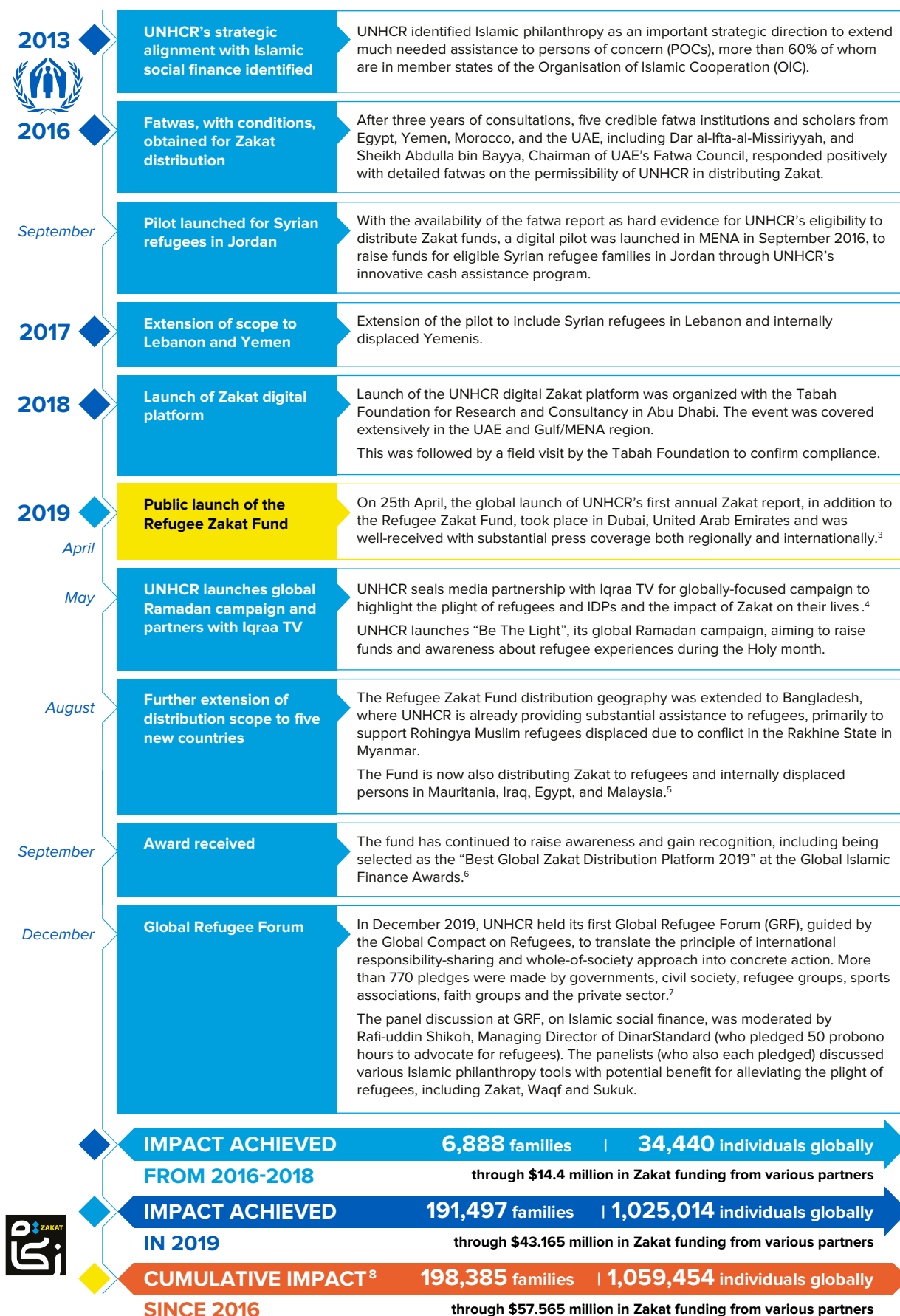
2 The donation for purification funds is the first of its kind ever received by UNHCR and reflects the donation of funds earned by Islamic banks from transactions that are not Sharia compliant, for instance late payment fees



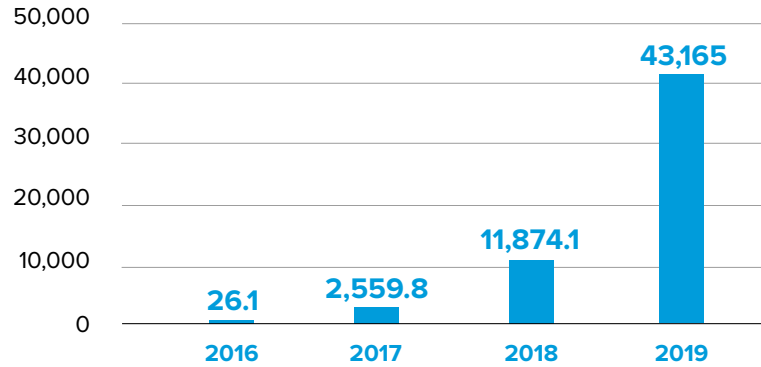
© UNHCR/Sylvain Cherkaoui



Figure: The journey of UNHCR's Refugee Zakat Fund up to 2019

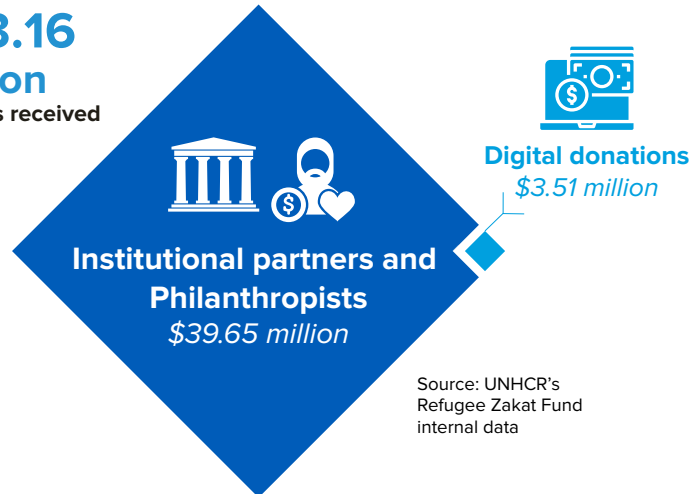


**Figure: Zakat funds received by year**  
(Values in USD thousands)



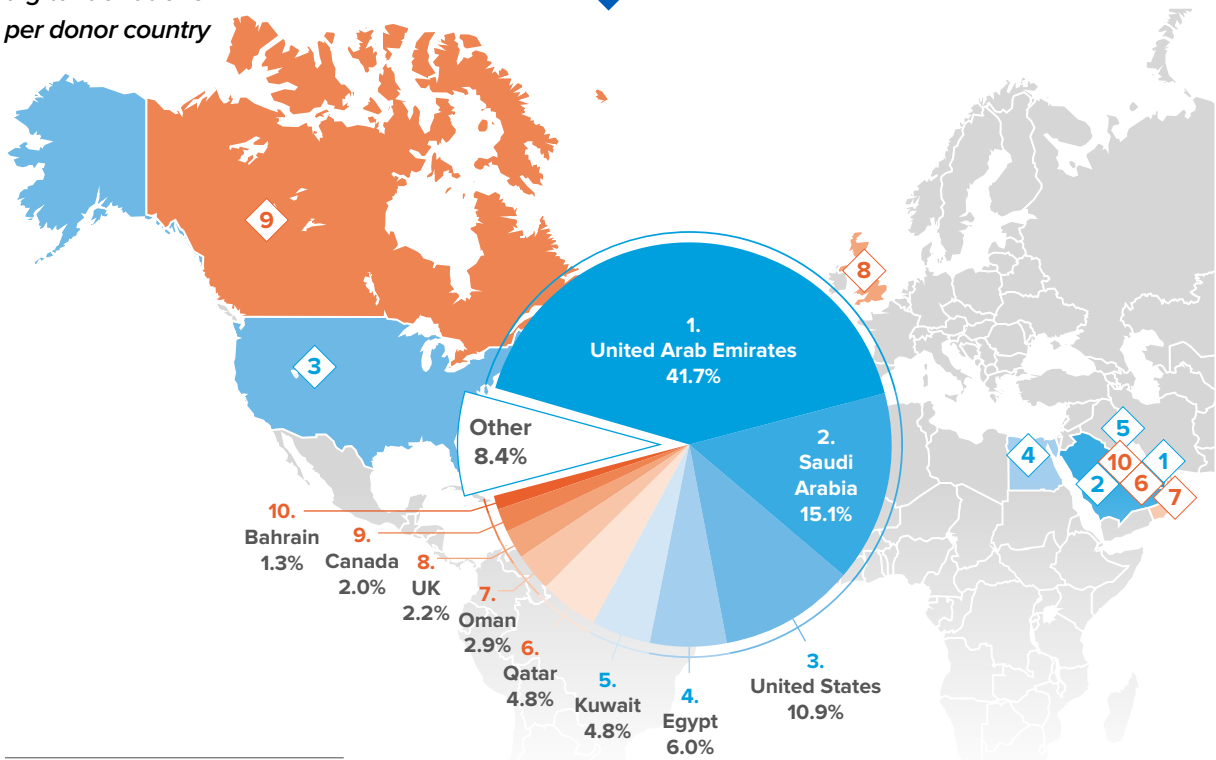
**Figure: Zakat funds received by source**

**\$43.16 million**  
in funds received



Source: UNHCR's Refugee Zakat Fund internal data

**Figure: Top ten 2019 Refugee Zakat Fund digital donations per donor country**



3 UNHCR unveils 'Refugee Zakat Fund' to help displaced populations worldwide. (2019, Apr). Retrieved from Emirates News Agency: [http://wam.ae/en/details/1395302758189?fbclid=IwAR0hFlohVjHvL\\_5wJqFQRAfh5vWPqNkHqcEz5wgli6PAHmGQMNA1WKdSzc](http://wam.ae/en/details/1395302758189?fbclid=IwAR0hFlohVjHvL_5wJqFQRAfh5vWPqNkHqcEz5wgli6PAHmGQMNA1WKdSzc)

4 UNHCR partners with Iqraa TV to show how Zakat is helping refugees. (2019, May). Retrieved from SalaamGateway: <https://www.salaamgateway.com/story/unhcr-partners-with-iqraa-tv-to-show-how-zakat-is-helping-refugees>

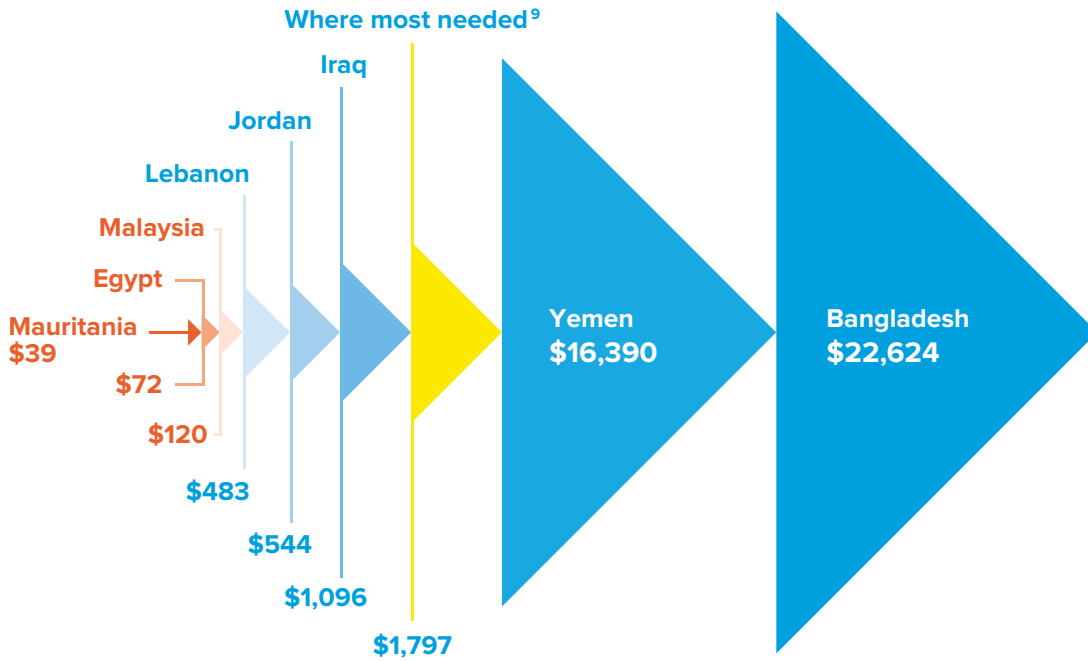
5 UNHCR expands donation possibilities through introduction of Sadaqah Jariyah to its global Refugee Zakat Fund. (2019, Aug). Retrieved from bizToday: <https://www.biztoday.news/2019/08/06/unhcr-expands-donation-possibilities-through-introduction-of-Sadaqah-jariyah-to-its-global-refugee-zakat-fund/>

6 UNHCR's Refugee Zakat Fund Best Global Zakat Distribution Platform. (2019, Sep). Retrieved from Refugee Zakat Fund: <https://zakat.unhcr.org/blog/en/media-coverage/unhcrs-refugee-zakat-fund-best-global-zakat-distribution-platform>

7 Global Refugee Forum pledges collective action for better refugee inclusion, education, jobs. (2019, Dec). Retrieved from UNHCR: <https://www.unhcr.org/news/press/2019/12/5dfa56b54/global-refugee-forum-pledges-collective-action-better-refugee-inclusion.html>

8 97% of the impact has been since the establishment of the Refugee Zakat Fund in 2019

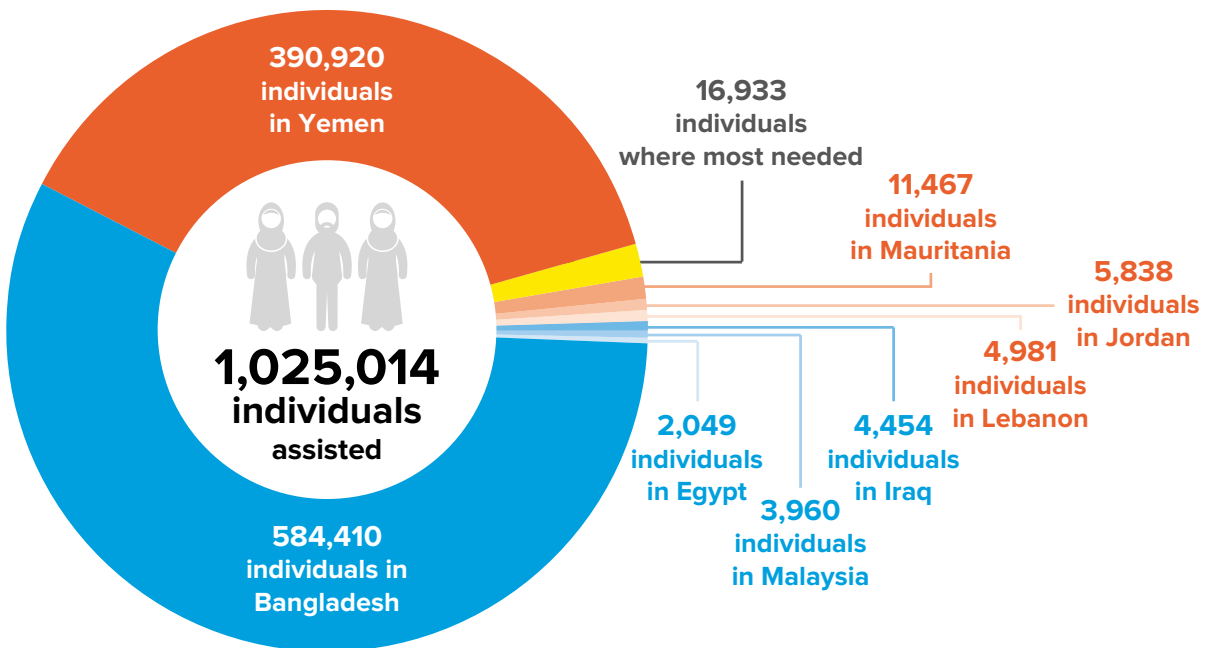
Figure: Zakat funds disbursed by destination (Values in USD thousands)



Source: UNHCR's Refugee Zakat Fund internal data

100% of Zakat funds received in 2019 were disbursed in favor of the most vulnerable beneficiaries in the above-mentioned countries, with a high proportion of the funds donated to Bangladesh in favor of Rohingya refugees. The total amount supported the needs of 191,497 families (1,025,014 individuals). An important governance aspect of the Refugee Zakat Fund is the fact that the destination of the funds is decided by the donor, based on needs and vulnerability.

Figure: Number of individuals assisted by destination in 2019



Source: UNHCR's Refugee Zakat Fund Internal data

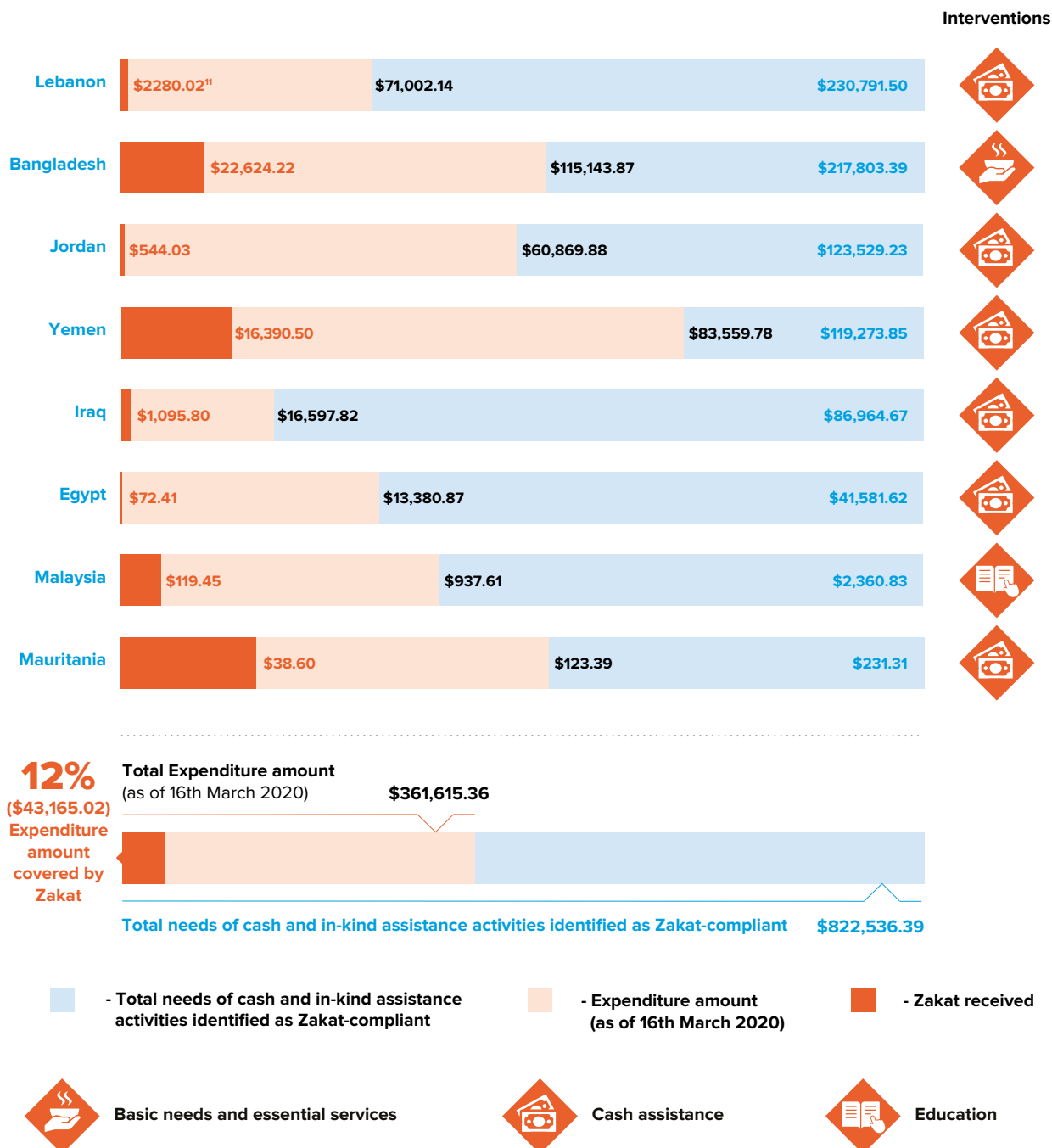
9 Funds received under 'where most needed' category were distributed fully to refugees in Lebanon based on needs assessments.



In 2019, the total needs of cash and in-kind assistance activities identified as Zakat-compliant in the eight targeted countries was around \$822 million. UNHCR approximately received \$362 million<sup>10</sup> in funding to cover these needs, with Zakat amounting to 12% of these funds.

**The Refugee Zakat Fund aims to build on its impact in 2019**, with the capacity to cover up to 23% of the cash and in-kind assistance activities identified as Zakat-compliant in the eight targeted countries.

*Figure: Statistics on Zakat funds received in 2019 versus overall needs and expenditure. (Values in USD thousands)*



<sup>10</sup> This figure is based on 2019 expenditure estimates as of 16 March 2020. Exact expenditure figures will be provided in UNHCR's Global Report to be launched on World Refugee Day, 20 June 2020.

<sup>11</sup> This amount includes the funds received digitally under the "where most needed" category, and distributed fully to refugees in Lebanon based on needs assessments.



© UNHCR/Mohammad Hawari

### 4.3 Impact Story

The journey of Abu Bassam and his family, Syrian refugees seeking shelter in Jordan

#### **Abu Bassam & Um Bassam, who take care of their son Ahmed, who was born with a disability.**

Abu Bassam is an old man now. He has lived in Jordan as a refugee since 2013. He and his wife are taking care of their son Ahmed, who has a disability. The family receives UNHCR's monthly cash assistance to help them make ends meet. Despite their hardship, UNHCR's support means this vulnerable family can keep a roof over their heads.

#### **Abu Bassam's life before the war in Syria.**

"My house was normal, we built it," he told us. "When we first built the camp back there (referring to when he fled Palestine), everything was flooded. The ground was muddy, we call it red ground, the land of "Horan" has red soil. So, we made mud blocks in wooden molds, and built small houses and after that we got married, we had kids and we lived there. It was a fine life."

"It was March 1973 that I married Um Bassam. I still remember the day. But we were all young at that time. It is a nice memory. We also had a wedding, and we got food, and we cooked. We lit a fire like the beginning of life. Anyway, we didn't get the food from the restaurant; we cooked our own food by ourselves - Bulgur and yogurt (Mlehi) and we cooked meat as well."



© UNHCR/Mohammad Hawari



### Displaced from the conflict in Syria.

#### Abu Bassam:

“If my house wasn’t destroyed, I would leave at dawn and tell Ahmed and his mother that we are going back home. But our house is destroyed, and I’m not able to fix it. I really don’t have any money or anything. The electricity cables were destroyed, so were the water pipes and everything else.”

“We grew old very fast from anxiety and sorrow. I cry daily, and she does too. Every single day. We have children that are in Syria, in the camps, children that left to foreign countries, gone, and one renting in Jordan, he used to live in a rented house in Syria, and now he is renting here. There’s no home to settle in. The house I built was small, and I eventually had eight children, God bless them and yours – it doesn’t fit us!”

#### Um Bassam:

“When I sit and wonder, I keep on crying. I cry about my children, about my country, about my home that vanished, about my things. We were living in peace at the time, and everything was okay. But then we were embarrassed; we lost everything. We started to ask people for help to survive. The situation is very bad.”

© UNHCR/Mohammad Hawari



“Well, our cooking is, as they say, simple. Our cooking is very simple. And my son, who is disabled, always asks for meat in the pan, because it’s soft, he likes that kind of food. Sometimes he wants canned food or meat, but that’s hard. How could we get all of this? We have to eat, pay for heating. What can we do? We pay our rent with the cash assistance we receive. Our situation is really difficult. If it weren’t for God and grocery stores helping us, it would be harder.”

### Despite their hardship, UNHCR’s support means this family still has a roof over their heads.

#### Abu Bassam:

“I received the winter cash assistance and I will buy gas, fuel, clothes and medicine. But we are always thankful to God.”

What am I going to do? I’ll do some –good deeds, practice my religion and beliefs, and pray for my children and my grandchildren. And may God bring peace to the Arabic and Islamic nations. May God reunite our people, and for them to forgive each other. And stay united together so that we are stronger. If you put some logs and placed them together, it won’t break. But if you take one frail twig, it will break, won’t it?”

“My dream is to return to our country and for the situation to settle, to be reunited with my children, and to become one whole family again. I need to fix our destroyed home. We need to sit and relax and have a party together. We’ll certainly have a party if my children and I reunite. God willing, we’ll live in health and peace. It would be a great delight. It’s true that we were displaced and had to flee. However, when we return, our home is (our) priority.”



Scan here for video  
(English)



Scan here for video  
(Arabic)



## 4.4 2019 Compliance Review



During October 9-10, 2019, the CEO of the Tabah Foundation for Research and Consultancy performed the second annual compliance review of UNHCR's Zakat distribution processes. This review included field visits to two UNHCR operations currently receiving Zakat funds.

### Lebanon

The Tabah Foundation went on a field visit with UNHCR to Lebanon on 9 October 2019 to review the distribution of Zakat funds received through UNHCR's Refugee Zakat Fund and ensure compliance with Zakat rules and regulations.

A meeting took place with UNHCR staff supervising the cash assistance program in Lebanon, in addition to UNHCR Islamic Philanthropy focal points, during which the various steps of the program were discussed, including vulnerability assessment of families, assistance eligibility, reporting and monitoring how cash is used by beneficiaries.

There are nearly one million refugees under UNHCR's protection in Lebanon, 17% of which live in informal settlements, i.e., makeshift tents located on private lands, which means they must pay rent for the land they occupy.

UNHCR disbursed more than \$69 million in cash assistance in 2018 in Lebanon. It assists the most vulnerable 33,000 Syrian refugee families with \$175 per family per month. However, because of the lack of funds, it is unable to support all 145,000 families that are living in extreme poverty, set in Lebanon at \$2.9/capita/day.

Almost 90% of households count on UNHCR's cash assistance as their primary source of income. The most substantial portions of the cash received are spent on rent, food, and health. Surveys show that families who receive cash assistance rely less on specific harmful coping mechanisms, such as delaying rent payments and borrowing money.

Beneficiary families withdraw the cash assistance with an ATM card provided by UNHCR.

UNHCR Lebanon has been receiving Zakat for over a year now and understand its specific requirements. Inter-agency vulnerability assessment and monitoring and evaluation reports like post-distribution and outcome monitoring allow the development and control of the program as well as gathering feedback from beneficiaries on the service. This feedback shows that 98% of families face no issues or challenges getting to an ATM, and 97% of respondents know how to contact UNHCR for complaints.

Based on the above, **the Tabah Foundation approves the distribution of Zakat funds by UNHCR in Lebanon through the cash assistance program.**

Additionally, a meeting took place with the supervisor of UNHCR's call center in Beirut, which receives one million calls per year. The mechanism of handling calls and responding to the needs of beneficiaries was explained. After this, a home visit was conducted in Bekaa, one of the regions with the highest density of displaced populations in Lebanon. Um Mohammed, a Syrian mother of six, received the delegation. She relies on UNHCR's cash assistance to raise her six children on her own, living in a tent with no other income. Cash assistance is vital for her, though it is not enough: she has a debt of around \$900. When asked about her hope for the future, she said she hoped that she would not lose this vital cash assistance

## **Jordan**

The Tabah Foundation went on a field trip with UNHCR to Jordan on 10 October 2019 to review the distribution process of Zakat funds received through UNHCR's Refugee Zakat Fund and ensure compliance with the relevant rules and regulations.

A meeting took place with UNHCR personnel supervising the cash assistance program in Jordan. UNHCR is providing cash to approximately 30,000 refugee families in the country, which represents about 23% of the most vulnerable refugee families outside camps, the ones living in extreme poverty.

One of the key features of the cash program in Jordan is iris recognition technology, which supports secured delivery of assistance to beneficiaries. 95% of recipients are using this technology, the remaining withdraw funds with ATM cards, as in Lebanon. UNHCR is also looking into the use of mobile wallets to distribute cash in Jordan. A successful pilot has been implemented, and UNHCR is considering extending this pilot soon.

The meeting was followed by two home visits to refugee families living in the suburbs of Amman city. One was Um Malik, a grandmother who lost her husband and a son during the war in Syria. She is living with another son and his family. While her son has a work permit, he may remain several months without income, due to the unstable nature of available job opportunities. Hence the crucial support provided by UNHCR.

The next home visit was to Um Judy's, a Syrian widow of two, who struggles to generate income beyond cash assistance. She told the delegation that she was trying to sell some homemade food to the neighbors to generate income, but it is quite challenging. This shows that refugees are trying to find other solutions beyond receiving cash assistance to meet their daily needs.

Tabah Foundation also witnessed the fact that Zakat is mentioned in the UNHCR text messages received by beneficiaries to inform them about the availability of their cash assistance on a monthly basis. It is imperative that refugees feel that Muslims around the world are aware of their hardships and are helping them accordingly.

Based on the above, the Tabah Foundation continues to endorse UNHCR's Zakat distribution process in Jordan as per the fatwa report issued by Tabah in 2017.

## **Zakat threshold**

In all countries receiving Zakat, there is a certain number of eligible families. This is the threshold beyond which Zakat cannot be distributed because it will not go to eligible families otherwise.

Tabah recommends that UNHCR puts in place a system that makes sure Zakat is no longer collected once this threshold is reached. As per Tabah's advice, it's good to have such a mechanism in place in the case of a high surge in Zakat funding to UNHCR's Refugee Zakat Fund. UNHCR manually tracks this threshold and will potentially investigate automating the tracking process.

**Noureddin Harthi**  
CEO, Tabah Foundation

# 5. Refugee Lives:

## How Things Have Changed in the Last Year

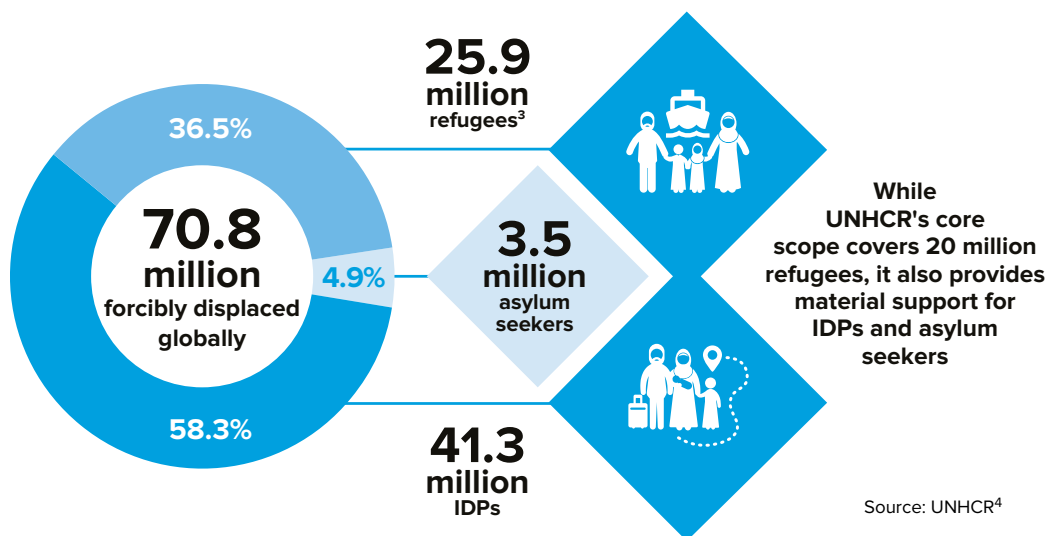
### 5.1 Overview

The global humanitarian displacement crisis has grown in recent years to alarming proportions, especially displaced populations from OIC countries, which represent more than 60%<sup>1</sup> of the global displaced population.

### 5.2 Global Overview of People of Concern

The global population of forcibly displaced people increased by 2.3 million in 2018 to reach 70.8 million, from 68.5 million<sup>2</sup> in 2017. Internally displaced people (IDPs) constitute a substantial portion of such vulnerable communities. In 2018, 41.3 million people were internally displaced, alongside 20.4 million refugees and 3.5 million asylum seekers.

*Figure: Illustrating and segmenting those in need of humanitarian assistance*



At the end of 2018, Syrians remained the largest forcibly displaced population, with 13 million people living in displacement, including 6.7 million refugees, 6.18 million internally displaced people (IDPs), and 140,000 asylum seekers.<sup>5</sup>

In 2018, a substantial number of people were on the move; 13.6 million people were newly displaced, including 2.8 million who sought protection abroad, either as asylum seekers or refugees. 10.8 million people were forced to run but remained in their own countries, equaling an average rate of 37,000 newly displaced people each day of 2018.<sup>6</sup>

1 UNHCR Refugee Zakat Fund. *Refugees: The Most In Need of Zakat Funds, 2019 Launch Report*. Retrieved from <https://zakat.unhcr.org/wp-content/uploads/2019/04/UNHCR-Annual-Zakat-Report-2019-En.pdf>  
 2 UNHCR. (2018, June). *Global Trends Forced Displacement in 2017*. Retrieved from <https://www.unhcr.org/5b27be547.pdf>  
 3 Total number of refugees globally stands at 25.9 million. 20.4 million is the number of refugees under UNHCR's mandate, and does not include 5.5 million Palestinian refugees who fall under UNRWA's mandate.  
 4 UNHCR. (2019, June). *Global Trends Forced Displacement in 2018*. Retrieved from <https://www.unhcr.org/statistics/unhcrstats/5d08d7ee7/unhcr-global-trends-2018.html>  
 5 UNHCR. (2019, June). *Global Trends Forced Displacement in 2018*. Retrieved from <https://www.unhcr.org/statistics/unhcrstats/5d08d7ee7/unhcr-global-trends-2018.html>  
 6 UNHCR. (2019, June). *Global Trends Forced Displacement in 2018*. Retrieved from <https://www.unhcr.org/statistics/unhcrstats/5d08d7ee7/unhcr-global-trends-2018.html>

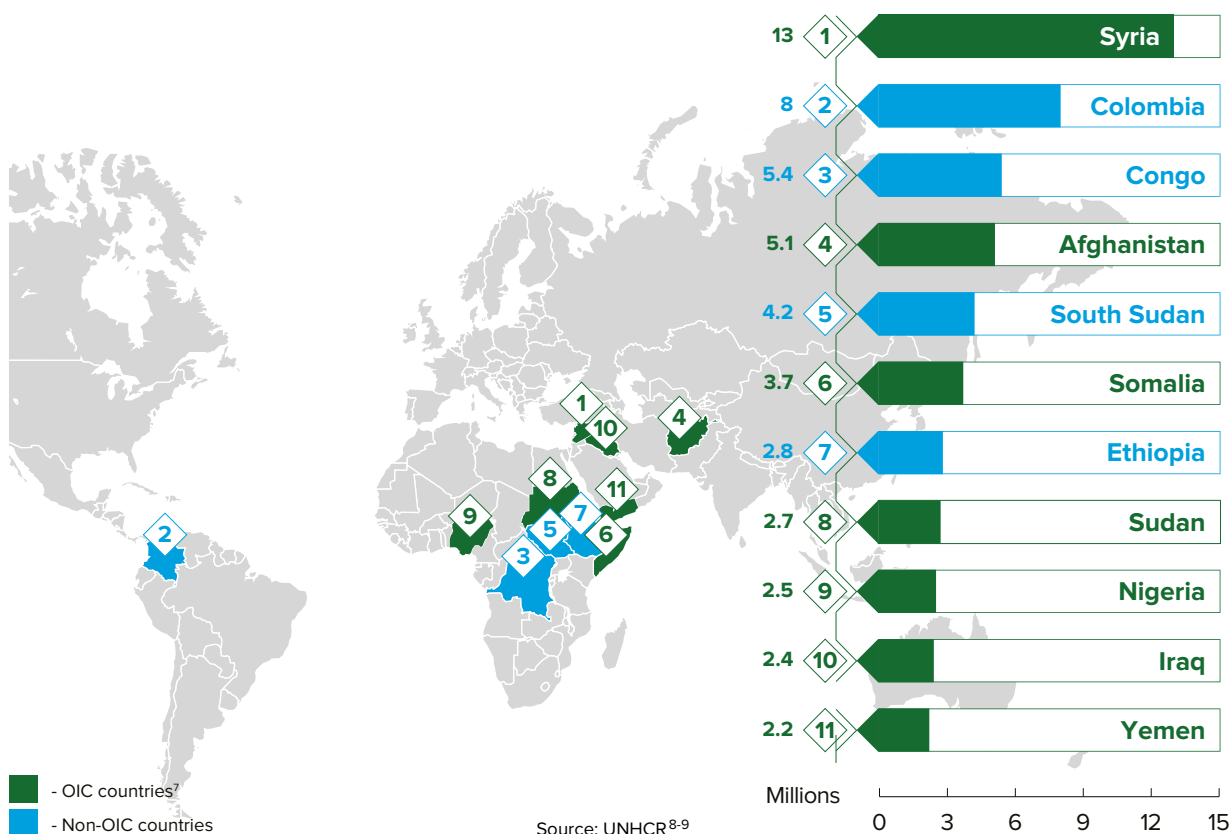




© UNHCR/Vincent Tremeau



Figure: A visual mapping of displaced persons (including refugees and IDPs) by top source country



Conflicts have been a critical force in causing distress and increasing the number of displaced people from 43.3 million in 2009 to 70.8 million in 2018, driven primarily by the Syrian conflict between 2012 and 2015. But conflicts in other parts of the world such as in Iraq and Yemen, Democratic Republic of the Congo (DRC) and South Sudan, as well as the influx of Rohingya refugees to Bangladesh also contributed. In 2018, the increase in the number of displaced people was mainly driven due to internal displacement in Ethiopia and new asylum claims from people escaping Venezuela.<sup>10</sup>

**UNHCR has played a substantial role in supporting vulnerable people globally.**

UNHCR played a significant role in supporting 70.8 million vulnerable people who fell under its mandate. The refugee population under UNHCR’s mandate has increased considerably in recent years from 10.5 million in 2012 to 19.5 million<sup>11</sup> in 2014, increasing further to 20.4 million in 2018. Refugees from the top 10 countries of origin accounted for 82 percent of the total refugees in 2018.<sup>12</sup> Syria emerged as the leading country of origin for refugees in 2018, with 6.7 million at the end of the year.<sup>13</sup>

Meanwhile, internally displaced people globally grew from 38.2 million<sup>14</sup> in 2014 to 41.3 million in 2018. Similarly, the number of asylum seekers also rose steadily from 1.8 million in 2014 to 3.5 million in 2018.

7 OIC stands for Organisation of Islamic Cooperation  
 8 UNHCR. (2019, June). *Global Trends Forced Displacement in 2018*. Retrieved from <https://www.unhcr.org/statistics/unhcrstats/5d08d7ee7/unhcr-global-trends-2018.html>  
 9 Of the total number of 25.9 million refugees, 20.4 million remained under UNHCR’s mandate while 5.5 million Palestinian refugees were under UNRWA’s mandate.  
 10 UNHCR. (2019, June). *Global Trends Forced Displacement in 2018*. Retrieved from <https://www.unhcr.org/statistics/unhcrstats/5d08d7ee7/unhcr-global-trends-2018.html>  
 11 UNHCR. (2015). *Global Trends Forced Displacement in 2014*. Retrieved from <https://www.unhcr.org/statistics/country/556725e69/unhcr-global-trends-2014.html>  
 12 UNHCR. (2019, June). *Global Trends Forced Displacement in 2018*. Retrieved from <https://www.unhcr.org/statistics/unhcrstats/5d08d7ee7/unhcr-global-trends-2018.html>  
 13 UNHCR. (2019, June). *Global Trends Forced Displacement in 2018*. Retrieved from <https://www.unhcr.org/statistics/unhcrstats/5d08d7ee7/unhcr-global-trends-2018.html>  
 14 UNHCR. (2015). *Global Trends Forced Displacement in 2014*. Retrieved from <https://www.unhcr.org/statistics/country/556725e69/unhcr-global-trends-2014.html>

### 5.3 Overview of the Refugee Zakat Fund’s Distribution Countries

The Refugee Zakat Fund is UNHCR’s trusted, compliant and effective distributor harnessing the power of Zakat to transform the lives of refugees and IDPs. The Fund has seen substantial growth in recent years, spanning countries including Yemen, Lebanon, Iraq, Jordan, Syria, Egypt, Bangladesh, and Mauritania.

However, the conditions of refugees in beneficiary countries have been exacerbated as conflict, violence, and climatic uncertainties continue to disrupt the lives of vulnerable people.



#### Syria Situation

An estimated 5.5 million Syrian refugees have fled their homeland since 2011, seeking safety across the region with Turkey hosting more than half of them, equaling 3.6 million. The number of displaced individuals inside Syria has now reached 6.1 million. In 2019, UNHCR provided relief items to an estimated 1.8 million beneficiaries inside Syria while supporting 1.7 million with protection such as legal support and counselling services.<sup>15</sup>

#### Lebanon:

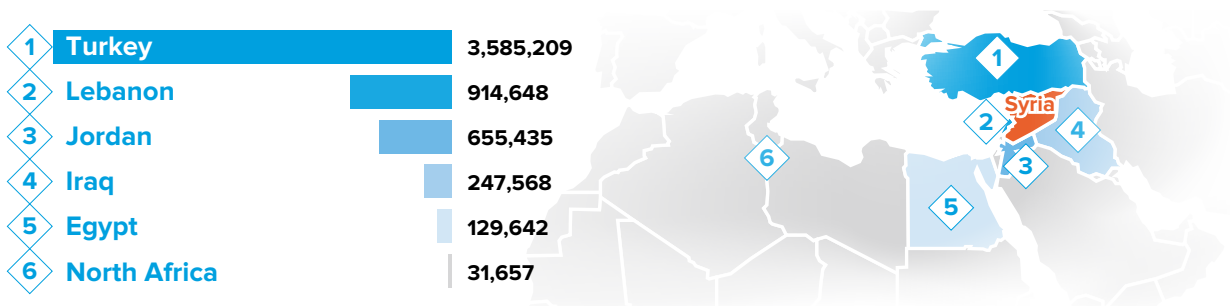
In 2019, Lebanon marked its ninth year of the refugee crisis following civil unrest in Syria, which began in 2011. Over 900,000 Syrian refugees are registered in Lebanon.<sup>16</sup>

As many as 57% of Syrian refugee families are living in overcrowded shelters, those which are below humanitarian standards and/or in shelters that face the danger of collapse.<sup>17</sup>

#### Jordan:

Jordan hosts the second-highest number of refugees per capita in the world, and it’s one of the countries most affected by the crisis in Syria.<sup>18</sup> Jordan’s refugee population increased to 744,795 as of December 2019, of whom 655,000 were Syrian.<sup>19</sup> Of the total refugee population in the country, 83% live in urban areas, outside of refugee camps.<sup>20</sup>

Figure: Number of Syrian refugees per host country



15 UNHCR. *Operation Update, Syria-January 2020*. Retrieved from <http://reporting.unhcr.org/sites/default/files/UNHCR%20Syria%27s%20Operational%20Update%20-%20January%202020.pdf>

16 UNHCR. *Syria Regional Refugee response (Lebanon)*. Retrieved from <https://data2.unhcr.org/en/situations/syria/location/71>

17 UNICEF; UNHCR; WFP. (2019). *Vulnerability Assessment of Syrian Refugees in Lebanon (VASyR 2019)*. Retrieved from <https://www.unhcr.org/lb/wp-content/uploads/sites/16/2019/12/VASyR-2019.pdf>

18 UNHCR. (2019, Oct). *UNHCR Jordan Factsheet, October 2019*. Retrieved from reliefweb: <https://reliefweb.int/report/jordan/unhcr-jordan-factsheet-october-2019>

19 UNHCR (Jordan). (2019, Dec). *UNHCR continues to support refugees in Jordan throughout 2019*.

Retrieved from <https://www.unhcr.org/jo/12449-unhcr-continues-to-support-refugees-in-jordan-throughout-2019.html>

20 Ibid

Two-thirds of all Syrian refugee households have debt. Around 80% of those in debt owe money to relatives and friends in Jordan, while less than 10% are indebted to relatives and friends in Syria. Child labor, violence, and early marriage are particular concerns, while 16% of the Syrian refugee population in Jordan report chronic health failure.<sup>21</sup>

## Rohingya Situation

### **Bangladesh:**

Since August 2017, tens of thousands of Rohingya refugees have fled violence in Myanmar and now reside in Bangladesh. In 2019, Bangladesh hosted 914,998 Rohingya refugees who now rely primarily on humanitarian assistance, having little to no possessions.<sup>22</sup> More than half of the 540,000 refugee children under the age of 18 have zero access to education.<sup>23</sup>

### **Malaysia:**

There are around 178,990 refugees and asylum-seekers registered with UNHCR in Malaysia, as of end February 2020.<sup>24</sup> In collaboration with partners in Malaysia, UNHCR offers refugee communities access to skills, education, livelihood, and healthcare to improve their lives.<sup>25</sup> UNHCR and civil society members also support the Malaysian government to eliminate statelessness.<sup>26</sup>

## Yemen

Violence and fighting have exacerbated poverty in Yemen, with 24.1 million Yemenis in need of humanitarian assistance.<sup>27</sup> Many struggle to survive in worsening conditions as they seek safety and assistance. According to the United Nations, Yemen has been the “worst humanitarian crisis in the world” for the past two years. In 2019 alone, 400,000 Yemenis were forced to flee their homes, eventually adding up to one-eighth of the entire Yemeni population who had become displaced at least once, over the last five years.<sup>28</sup>

## Mauritania

Mauritania hosts 58,500 refugees, around 95% of whom are Malians who have arrived since 2012.<sup>29</sup> Refugees in the country do not hold full rights to work, especially in the absence of national documentation, putting refugees at risk of violence and exploitation.<sup>30</sup>

UNHCR’s Refugee Zakat Fund continues to support refugees and other people of concern across designated countries worldwide. However, despite valiant efforts undertaken by the Fund, it has managed to meet only 12% of UNHCR’s expenditure on cash and in-kind assistance activities identified as Zakat-compliant in the eight targeted countries.

21 *The living conditions of Syrian refugees in Jordan*. (2017-18). Retrieved from Fafo-report 2019:04: <https://reliefweb.int/sites/reliefweb.int/files/resources/67914.pdf>

22 UNHCR. (2019, Dec). *Operational Dashboard: 2019 Indicators Monitoring*. Retrieved from <https://data2.unhcr.org/en/documents/download/73972>

23 UNHCR. (2019, Apr). *World must not turn away from Rohingya crisis, say UN chiefs*.

Retrieved from <https://www.unhcr.org/news/stories/2019/4/5cc322a34/world-must-turn-rohingya-crisis-say-un-chiefs.html>

24 UNHCR. (n.d.). *Figures at a Glance in Malaysia*. Retrieved from <https://www.unhcr.org/en-my/figures-at-a-glance-in-malaysia.html>

25 UNHCR (Malaysia). Retrieved from <https://www.unhcr.org/en-my/>

26 UNHCR (Malaysia). (2019, Oct). *UNHCR Welcomes Renewed Commitment By Malaysia To End Statelessness*. Retrieved from <https://www.unhcr.org/en-my/news/press/2019/10/5d9e963d4/unhcr-welcomes-renewed-commitment-by-malaysia-to-end-statelessness.html>

27 UNHCR. *2019 Yemen Country Report*. Retrieved from <http://reporting.unhcr.org/sites/default/files/UNHCR%20Yemen%202019%20Annual%20Report%20-%20March%202020.pdf>

28 Ibid

29 The World Bank. (2019, Jul). *Mauritania Social Safety Net System Project II*. Retrieved from <http://documents.banquemondiale.org/curated/fr/380011562674279503/pdf/Concept-Project-Information-Documents-PID-Mauritania-Social-Safety-Net-System-Project-II-P171125.pdf>

30 Ibid



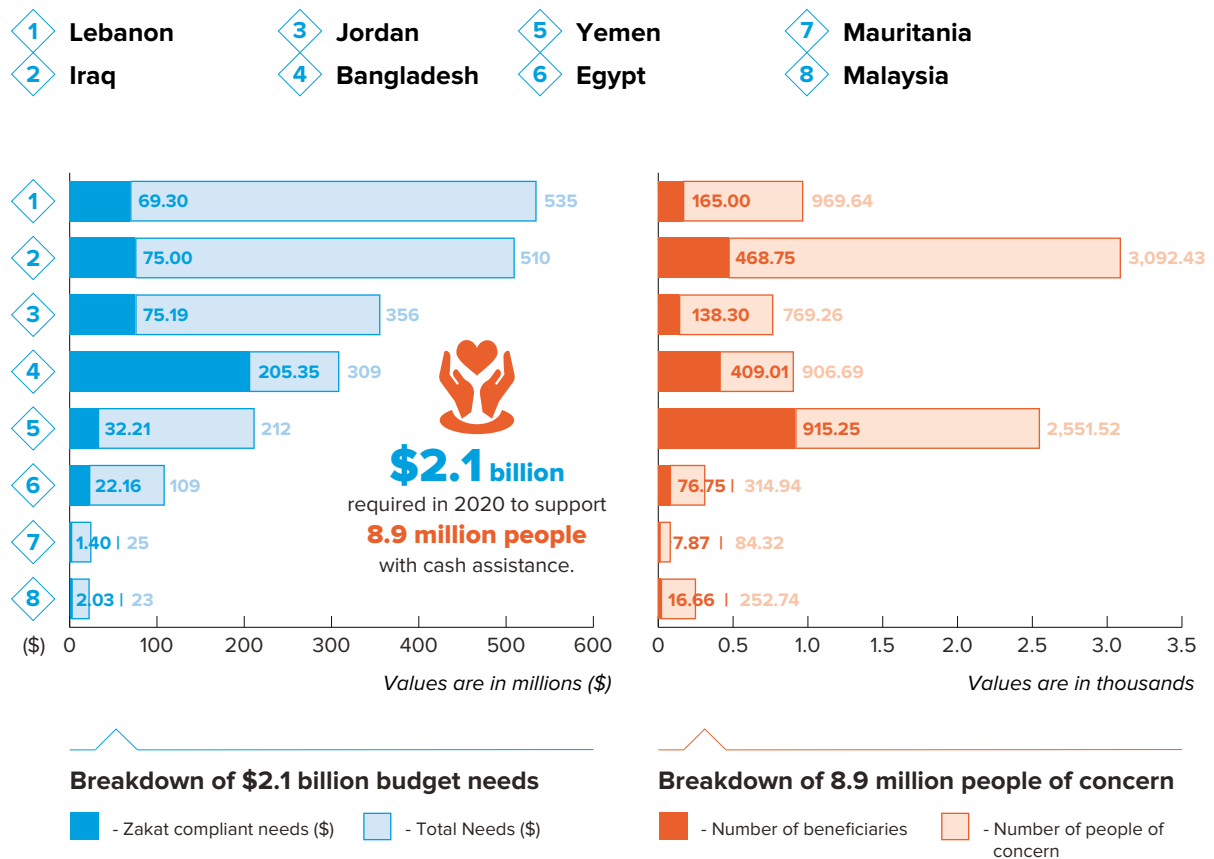
### 5.4 Projected Budget Needs

UNHCR’s proposed budgets for the year 2020 and 2021 total \$8.668 billion and \$8.616 billion, respectively, based on an assessment in Q1 2019.<sup>31</sup> These funds will facilitate UNHCR in offering protection and assistance to people of concern under UNHCR’s mandate, including refugees, returnees, stateless persons, and internally displaced people.

However, UNHCR’s proposed budgets for the year 2020 and 2021 for the eight countries that the Refugee Zakat Fund covers — namely Bangladesh, Iraq, Yemen, Mauritania, Lebanon, Jordan, Malaysia and Egypt — equal \$2.079 billion and \$2.074 billion respectively.<sup>32</sup>

In 2020, UNHCR will continue to leverage partnerships with various foundations, Zakat houses and Islamic financial institutions to maximize impact. The Refugee Zakat Fund has the capacity to absorb 23% of the total needs of cash and in-kind assistance activities identified as Zakat-compliant in the eight targeted countries.

**Figure: UNHCR’s 2020 overall operational budget needs vs. Zakat compliant needs in Refugee Zakat Fund distribution countries**



31 UNHCR. (2019). *UNHCR’s 2020-2021 Financial Requirements*. Retrieved from [http://reporting.unhcr.org/sites/default/files/ga2020/pdf/Chapter\\_Financial.pdf](http://reporting.unhcr.org/sites/default/files/ga2020/pdf/Chapter_Financial.pdf)

32 UNHCR. (n.d.). *Global Appeal 2020-2021*. Retrieved from [http://reporting.unhcr.org/sites/default/files/ga2020/pdf/Global\\_Appeal\\_2020\\_full\\_lowres.pdf](http://reporting.unhcr.org/sites/default/files/ga2020/pdf/Global_Appeal_2020_full_lowres.pdf)

# 6. Emerging areas: The Role of Waqf in Empowering Refugees

## 6.1 Institutionalized Giving: An Introduction to Endowments and Awqaf

**Institutional philanthropy is growing, with more than 260,000 philanthropic foundations globally holding assets worth \$1.5 trillion.**

Charitable giving is as old as civilization itself — institutionalized philanthropy, however, is a relatively recent phenomenon, especially in the West. In 1900, Andrew Carnegie, the steel industrialist, set up the first-ever endowment for Carnegie Mellon University. An endowment is defined as a legal structure managing a pool of investments for a purpose specified by its founders. Withdrawal of the principal amount is restricted in an endowment fund, with only investment returns available for use. It is often structured and managed as a trust, a private foundation, or a public charity. There are more than 260,000 philanthropic foundations across the globe, with close to \$1.5 trillion in global assets.<sup>1</sup>

**In the Islamic world, it was the Prophet Muhammad (Peace Be Upon Him) who first prescribed setting up an endowment, or a Waqf. Investment returns on a pool of assets are used as a means of providing ongoing charity and social welfare services.**

In the Islamic world, the first endowment can be traced back to the time of the Prophet Muhammad (Peace Be Upon Him). The term for an endowment in Arabic is ‘Waqf’, which means to confine. Ibn Umar reported that Umar ibn al-Khattab sought the advice of Prophet Muhammad (Peace Be Upon Him) regarding a newly acquired piece of land.<sup>2</sup> The Prophet then told him, “If you like, you can make an endowment of the land and give [the fruit] in charity.”

Since then, endowments or Awqaf (the plural of Waqf) have been used as a source of ongoing charity. The assets held in such a trust may include land, buildings, a trust fund, or anything else that could benefit the intended recipients. Egypt’s famous Al-Azhar university, built in 975 AD, was financed through a Waqf that continues to support its operations today.<sup>3</sup>

A Waqf and conventional endowment are similar in that the principal is immobilized, with returns being used towards purposes specified by the donor. However, a key difference between the two is that a Waqf is deeply rooted in religion. A donor may decide to commit a conventional endowment’s income towards any lawful purpose, whether religious or providing broader social services.

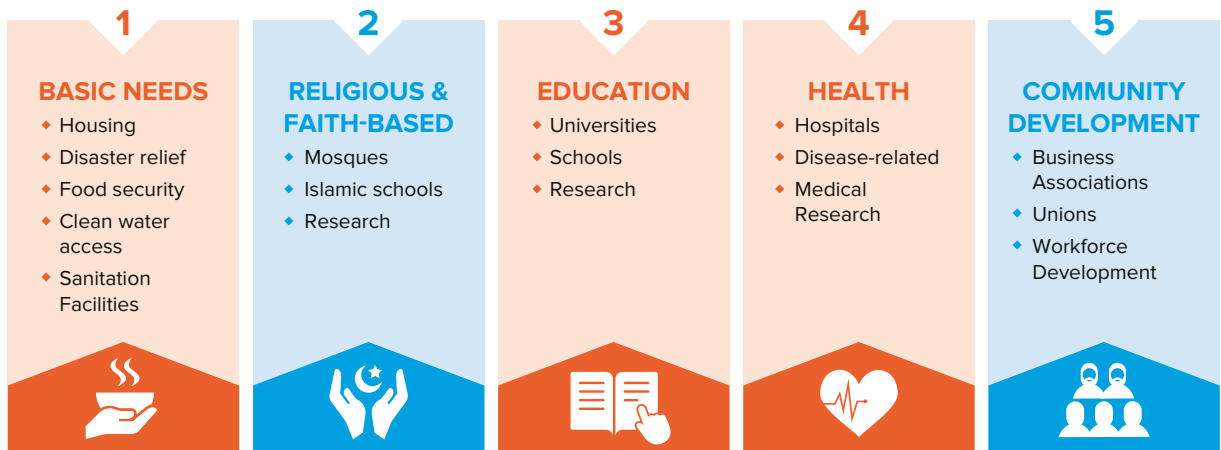
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<sup>1</sup> Harvard Kennedy School, UBS. (2018, Apr). *Global Philanthropy Report*.

<sup>2</sup> Sahih Bukhari, no. 2737

<sup>3</sup> Malaysia International Islamic Financial Centre. (2014, Oct). *Powerful Socio-economic Vehicles*.

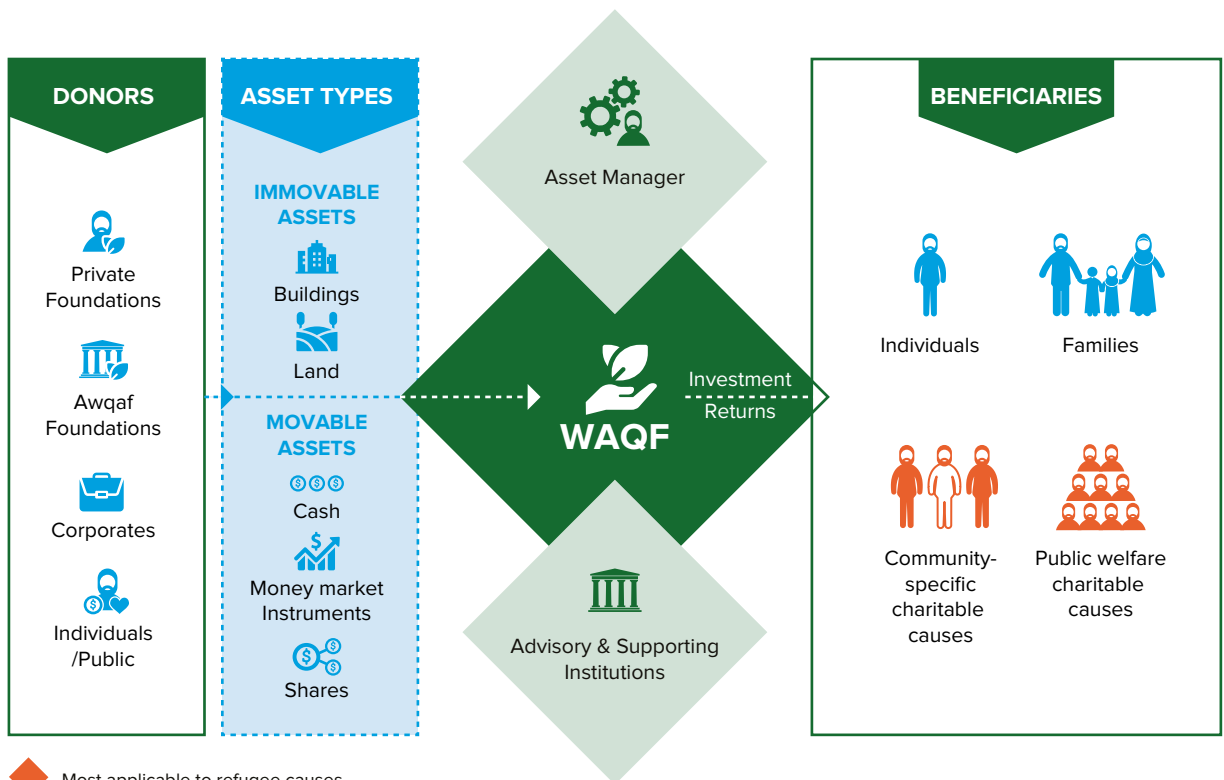
## Awqaf Can Serve Several Socio-economic Purposes



◆ Most applicable to refugee causes

A Waqf may be structured on underlying immovable assets, such as real estate, or it may be structured as a cash-Waqf — utilizing financial assets (e.g., investments in Islamic securities, Sukuk) to generate returns. Presently, Waqf assets exceed \$100 billion globally.<sup>4</sup> 70 to 80 percent of total Waqf assets are in the form of real estate, with the remaining invested in shariah-compliant money markets. In Indonesia alone, there is close to 4,300 sq km of Waqf land, estimated at \$27 billion.<sup>5</sup>

## Waqf At a Glance



◆ Most applicable to refugee causes

4 The World Bank, ISRA, INCEIF. (2019). *Maximizing Social Impact Through Waqf Solutions*.

5 Ibid.

## 6.2 The Role of Endowments in Bringing About Socioeconomic Change

Rising poverty, climate change-related disasters, and the refugee crisis have led to a surge in Socially Responsible Investing (SRI). Between 2016 and 2018, the market grew at a rate of more than 38 percent to \$12 trillion.<sup>6</sup> At less than 5 percent of total impact investments, endowments' contribution to the SRI market is currently low. However, the increase in consolidated private wealth<sup>7</sup> has led HNWIs to actively work towards reducing income inequality.

The Bill & Melinda Gates Foundation, with its \$46.8 billion endowment, is focused on solving issues related to global health, education, and poverty.<sup>8</sup> In 2010, Bill Gates launched the Giving Pledge, inviting billionaires to give away more than half of their wealth to causes ranging from disaster relief to criminal justice reform. More than 207 billionaires have signed up to date.<sup>9</sup>

### *Endowments have also begun on addressing the refugee crisis*

Corporate/Private Endowments	Initiative	Goal
Rockefeller Foundation, Mastercard Center for Inclusive Growth <sup>10</sup>	\$50 million	Leveraging data science for social impacts, such as finding suitable employment for refugees
Patrick J. McGovern Foundation, Refugee Investment Network, and Global Development Incubator <sup>11</sup>	\$1 billion	Developing finance-based long-term solutions to global forced migration and enable refugee employment
George Soros, Open Society <sup>12</sup>	\$500 million	Fund investments in startups, established companies, and other businesses founded by migrants and refugees

UNHCR has worked with corporate endowments such as the IKEA Foundation, the Citi Foundation, and the H&M Foundation, among others, to address refugee needs in various Middle-Eastern, Asian, and African countries.<sup>13</sup>

## 6.3 Awqaf Institutions are a Powerful Tool to Address the Refugee Crisis

From early Islamic history, Awqaf institutions have led the way in creating economic and social change. Awqaf have the edge over Zakat and Sadaqah in many ways — not only are they highly flexible regarding structure and changes to the asset mix, but they can also be applied to a broad range of causes. Most importantly, they serve as investment vehicles and multiply the social impact of sourced funds.

6 USSIF. (2018, Oct). *Sustainable investing assets reach \$12 trillion*.

Retrieved from <https://www.ussif.org/files/US%20SIF%20Trends%20Report%202018%20Release.pdf>

7 UBS Billionaires insights. (2019). *The billionaire effect*.

8 Bill & Melinda Gates Foundation. (n.d.). *Foundation Fact Sheet*.

Retrieved from <https://www.gatesfoundation.org/who-we-are/general-information/foundation-factsheet>

9 The Giving Pledge. *A Commitment to Philanthropy*. Retrieved from <https://givingpledge.org/>

10 Rockefeller Foundation. (2019, Jan). *Mastercard and Rockefeller Foundation announce Data Science Social Impact Initial 50 million commitment*. <https://www.rockefellerfoundation.org/about-us/news-media/mastercard-rockefeller-foundation-announce-data-science-social-impact-initial-50-million-commitment/>

11 Bridgespan Group, IFC. (2019, May). *Private Sector & Refugees: Pathways to Scale*.

12 MissionInvestors. (2016, Jun). *George Soros, founder of Open Society Foundations, Invests \$500M in Refugees*.

Retrieved from <https://missioninvestors.org/resources/george-soros-founder-open-society-foundations-invests-500m-refugees>

13 Bridgespan Group, IFC. (2019, May). *Private Sector & Refugees: Pathways to Scale*.



### How Awqaf are creating social and economic growth

Waqf	Country	Initiative	Assets' Source	Impact
Waqf An-Nur Corporation	Malaysia	Finance upgrading work for the Larkin Sentral Terminal <sup>14</sup>	World's first Waqf IPO	Upgraded terminal and allocated dividends from Waqf shares to help lower-income groups pay minimal rental rates for shop lots at the terminal
Hamdard Foundation/ Waqf	India, Pakistan, & Bangladesh	Making education more accessible to communities in India, Pakistan, and Bangladesh	All profits from Hamdard Waqf Laboratories	Returns go to Jami Hamdard University, Hamdard Education Society, Business and Employment Bureau, Majeedia Hospital, and Ghalib Academy. Scholarships and free or subsidized medical services are also provided <sup>15</sup>
Tabung Wakaf Indonesia	Indonesia	Improving socioeconomic status of the poor	Cash, land, and building property endowments from the public	Served more than 5,000 donors and turned idle land and buildings into community service areas. Built a donation-based hospital with mosque, affordable housing complex, and school for children. Also funded scholarships, school upgrading, and training programs <sup>16</sup>
Islamic Solidarity Fund for Development (ISFD) <sup>17</sup>		Poverty reduction	\$2.7 billion (including funds from 49 member countries)	80 percent of ISFD projects are allocated to LDMCs (Least Developed Member Countries) Cumulative disbursements had reached \$235 million by the end of 2018.
Social Islamic Bank, Bangladesh <sup>18</sup>		Empowering small business owners	Public donors	Proceeds from investments are used for microfinance empowerment

Awqaf have also begun working towards mitigating the refugee crisis. As part of UNHCR's Syrian Refugee Educational Program, Turkey's Vehbi Koç Foundation, in collaboration with the UNHCR, provided educational materials to more than 8,000 to 10,000 refugee children.<sup>19</sup>

### Fintech innovation has led to new players in the Awqaf space

Company	Product/ Initiative	Value Proposition/Initiative	Reach
Finterra	WAQF Chain	Blockchain-based crowdfunding and P2P financing to source and invest Waqf funds for various causes, including refugee crisis projects.	More than 700,000 registered users <sup>20</sup>
Narwi <sup>21</sup>	Narwi	Crowdfunding platform that connects micro-entrepreneurs with crowd-sourced capital and knowledge.	
BitMal <sup>22</sup>	BitMal platform	Blockchain-based marketplace allowing donors to directly fund social projects/enterprises using the BitMal social currency token. Volunteers are rewarded using BitMal tokens that enable them to fund enterprises they want to support.	
UNDP, Indonesian Waqf board <sup>23</sup>	Kitawakaf.com	Blockchain-based Waqf crowdsourcing platform in partnership with Islamichain. Islamichain uses blockchain technology to make Islamic giving more transparent by tracking donations from contribution to distribution. <sup>24</sup>	\$14,100 raised for 11 programs from 214 donors

14 Islamic Finance News. (2019, Mar). *Empowering Islamic finance SRI via Waqf*. Retrieved from [http://www.mifc.com/repository/0227RAM\\_IFN.pdf](http://www.mifc.com/repository/0227RAM_IFN.pdf)

15 Naeem Hayat, Ammara Naeem. (2014, Sep). *Corporate Waqf: A Case of Hamdard (Waqf) Pakistan*. Retrieved from [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2487713](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2487713)

16 Tabung Wakaf website. <http://tabungwakaf.com>

17 Islamic Development Bank (IsDB). (2018). *2018 Annual Report*.

18 Annual Islamic Finance Conference 2019. (2019, Jul). *Cash Waqf Deposit Scheme: Social Islami Bank Limited (Sibl) Experience*.

19 Vehbi Koç Foundation. *UNHCR Syrian Refugee Educational Program*.

Retrieved from <https://encyclopedia.vkv.org.tr/Categories/Projects/Educations/UNHCR-Syrian-Refugee-Educational-Program>

20 Salaam Gateway. (2019, Mar). *Finterra calls for all thought leaders and regulators to envision a global Waqf bank*.

21 Narwi website. Retrieved from <https://narwi.org>

22 BitMal website. Retrieved from <https://bitmal.org>

23 Kitawakaf website. Retrieved from <https://kitawakaf.com>

24 UNDP. (2019, Jun). *Islamic finance going digital: Blockchain as a tool to catalyze multi-billion Waqf for SDGs*.

Retrieved from <https://www.asia-pacific.undp.org/content/rbap/en/home/blog/2019/islamic-finance-going-digital.html>

## 6.4 Awqaf and UNHCR's Strategy for 2025

Waqf funds are a powerful and flexible tool to address the refugee crisis through diverse economic means. Moreover, Awqaf can act as a game-changing catalyst for governments, the private sector, and aid agencies, allowing them to work together and expand their impact towards achieving SDG goals.<sup>25</sup>

UNHCR anticipates Awqaf funds to play a significant role in achieving its goal of raising \$1 billion from the private sector by 2025.<sup>26</sup> Crowdsourcing and blockchain technologies may be studied further to amplify resource mobilization efforts. Setting up a Waqf that leverages Islamic finance investments is one potential route for UNHCR to engage with Awqaf partners and generate sustainable income for the benefit of the most vulnerable refugees and IDPs. Building on this, a joint workshop on Waqf was organized in Kuwait in January 2019 with the Kuwait Awqaf Public Foundation. Additionally, during the Global Refugee Forum held in Geneva in December 2019, two Awqaf partners pledged to assist UNHCR in developing relevant Awqaf structures, namely the Islamic Solidarity Fund for Development who pledged a global Waqf for Refugees, and Finterra who pledged to set up a blockchain Waqf for refugees.

Through its programs, UNHCR addresses various critical needs of refugees including basic needs, cash assistance, shelter, core relief items (CRIs), energy needs, education, health and livelihoods.

Awqaf can benefit refugees in a variety of ways while bringing about economic equality and growth through the redistribution of wealth. Financial returns from Awqaf can support the above mentioned needs of refugees and in some cases UNHCR could potentially consider using Waqf assets for supporting these needs.

An integrated platform that raises Zakat, Waqf, and Sadaqah funds for UNHCR and the Refugee Zakat Fund may also be worth exploring.

<sup>25</sup> UNDP. (2015, Sep). World Leaders Adopt Sustainable Development Goals.

<sup>26</sup> UNHCR. (2018, Aug). *Executive Committee of the High Commissioner's Programme*. Retrieved from <https://www.unhcr.org/5ba354764.pdf>





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# 7. Spotlight: Faith-Based Giving

## 7.1 Introduction

Faith-based values have played an important role in influencing charitable donations, with Indonesia and the U.S. being some of the most generous countries in the world. Across all faiths, philanthropic contributions are undergoing important digital innovation to better attract tech-savvy donors, with essential lessons for Zakat distribution. Blockchain, peer-to-peer finance, and apps are among the emerging technologies adopted by faith-based charities.

## 7.2 Trends in Faith-Based Giving

**Clear evidence shows that faith drives donations in the world's most charitable countries.**

Among the consistently top-ranked countries for charitable giving globally, religion is a crucial driver behind charitable action and comprises multiple faiths. As per the CAF World Giving Index 2019, Indonesia has improved its giving score the most over the last decade. The other biggest risers have been Malaysia, Iraq, South Africa, and the UAE, among others.<sup>1</sup>

In Indonesia, the largest improver in giving rank in the CAF Index 2019, Zakat is widely collected and distributed, with the country being among the top five for Zakat collection (2019).<sup>2</sup> The country is home to 225 million Muslims, which is the largest Muslim population globally, and among Indonesia's population, 75% of Muslims consider religion to be significant.

The U.S. has been ranked the top country in giving trend as per the CAF Index 2019. In the U.S., 31% of the \$127.37 billion given to charity in 2016 went to religious organizations, with the majority of contributions attributed to people donating to their local places of worship.<sup>3</sup> In the U.K., a survey of 700 donors found that 71% of donors were motivated by reasons related to faith<sup>4</sup> and more than a quarter of charities in the U.K. have some manner of religious affiliation,<sup>5</sup> with donors feeling that their funds are more effectively spent by organizations affiliated with their own religion.<sup>6</sup>

The link between faith and charity is logical given that virtually every faith requires its followers to donate a portion of their income, most notably the Abrahamic religions. The Jewish scriptures refer to Tzedakah, which is considered a commandment that all Jews must follow and is a commitment to justice involving donating both time and money to support the poor and needy. In Christianity, the Hebrew Bible contains a commandment that Christians give a tithe, which represents a tenth of one's income.<sup>7</sup> Hinduism and Buddhism also emphasize charity robustly as an obligation and soul purification. "Daan" in Hinduism entails the act of giving as a religious duty, and "Dāna" in Buddhism implies purifying and transforming the mind of the giver.

1 CAF World Giving Index (2019).

[https://www.cafonline.org/docs/default-source/about-us-publications/caf\\_wgi\\_10th\\_edition\\_report\\_2712a\\_web\\_101019.pdf](https://www.cafonline.org/docs/default-source/about-us-publications/caf_wgi_10th_edition_report_2712a_web_101019.pdf)

2 UNHCR Refugee Zakat Fund. *Refugees: The Most In Need of Zakat Funds, 2019 Launch Report*.

Retrieved from <https://zakat.unhcr.org/wp-content/uploads/2019/04/UNHCR-Annual-Zakat-Report-2019-En.pdf>

3 *The Ultimate List Of Charitable Giving Statistics For 2018*. (n.d.). Retrieved from NPSource: <https://nonprofitssource.com/online-giving-statistics/>

4 Charities Aid Foundation. (n.d.). *Why do we give to charity?* Retrieved Oct 17, 2019, from

<https://www.cafonline.org/my-personal-giving/long-term-giving/resource-centre/why-do-people-give>

5 NPC. (2016). *What a difference a faith makes - Insights on faith-based charities*. London.

6 Shapiro R.A. (2018) *Philanthropists in Asia: What Do They Want? What Do They Get?.* In: Pragmatic Philanthropy. Palgrave Macmillan, Singapore

7 King, D. (2017, Dec). *Why faith leads to philanthropy*. Retrieved Nov 6, 2019, from World Economic Forum:

<https://www.weforum.org/agenda/2017/12/why-faith-leads-to-philanthropy>





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In Islam, as discussed extensively in our launch report,<sup>8</sup> Muslims are required to donate 2.5% of their cumulative wealth as Zakat, above a minimum threshold, but are also encouraged to give Sadaqah voluntarily. These and other voluntary acts of kindness are all forms of charity that, like other faiths, is a mean to purify one's soul and create a cohesive society.

### **Technology is driving change in charity operations.**

Technological changes, driven by the fourth industrial revolution, are having a transformational impact on all sectors of the economy, including mobile technologies, automation, AI, and blockchain. Naturally, the way charitable donations are made and tracked, as well as the way charities operate, are always changing.

With a substantial portion of charitable giving remaining offline, increased use of mobile apps and online platforms are driving new solutions, especially as donors can give directly to those in need, without using intermediaries.

An annual "Global Trend in Giving Report" by Nonprofit Tech for Good in 2018 surveyed 6,557 donors across six continents, of which 72% considered themselves religious. The report found that 54% of donors prefer to donate online through a credit/debit card, with other methods including direct mail, cash or bank transfer, and text message. Only 4% preferred mobile apps. However, there has been a rising trend of crowdfunding campaigns, and 41% of those who donate to charitable organizations also give to online peer-to-peer fundraising projects that directly benefit the targeted individuals.<sup>9</sup>





8 UNHCR Refugee Zakat Fund. *Refugees: The Most In Need of Zakat Funds, 2019 Launch Report*.

Retrieved from <https://zakat.unhcr.org/wp-content/uploads/2019/04/UNHCR-Annual-Zakat-Report-2019-En.pdf>

9 Charitable Giving Report 2016. Blackbaud. Retrieved from: <https://hub.blackbaud.co.uk/npinsights/2016-charitable-giving-report>

## 7.3 Examples of Digital Faith-Based Giving Solutions

Across all faiths, significant digital innovations are emerging that facilitate charitable donations, which are instructive for Zakat. Numerous examples demonstrate solutions encompassing blockchain technology, peer-to-peer finance, mobile applications, and artificial intelligence as a means of facilitating donations and distributing funds effectively.

Company	Primary idea	Key-value proposition	Other notable attributes or accomplishments
<b>Blockchain Technology</b>			
	In collaboration with Alice, a blockchain-based social funding platform, St Mungo's aims to deploy blockchain technology to enable donors to track their donations.	The first charity of its kind to use blockchain technology, St Mungo's aims to increase trust by allowing donors to track their donations. Alice releases payments only when charities have set social goals and stages, through which donors can see the impact their contributions have made in helping the homeless in the U.K.	A fundraising appeal for St Mungo's blockchain on Alice – "Street Impact 15 Lives" – aims to raise £50,000 to help at least 15 people out of long-term rough sleeping. To date, around £11,000 has been raised with the launch of the first pilot. <sup>10</sup>
	Blossom Finance opens a free service for Muslims to pay Zakat in cryptocurrency	Blossom's Zakat service utilizes blockchain and is a free service for those willing to donate from their own cryptocurrency. Blossom then converts the cryptocurrency to Indonesian Rupiah and transfers the amount to the bank accounts of their cooperative and nonprofit partners in Indonesia.	Blossom Finance does not take any fee for their service. To date, Muslims have pledged \$20,000-equivalent in Zakat payments during the month of Ramadan using Blossom's free Zakat Via Blockchain service. <sup>11</sup>
<b>Peer-2-Peer Finance</b>			
	GiveSendGo claims to be the world's largest free Christian crowdfunding website allowing churches and congregants to raise funds through campaigns.	This platform provides a simple setup procedure with a 0% platform fee. Users can use the "pray now" button to show their support, and each fundraising page enables social sharing and progress reports on the campaign's achievements.	GiveSendGo platform has raised millions of dollars and is available in over 26 countries. It currently has more than 800,000 users. This year, the organization has also expanded through acquiring the personal fundraising website, FaithLauncher. <sup>12</sup>
	MuslimGiving is a peer-to-peer finance platform for U.K.-based Muslim charities and fundraisers to enable them to reach out to potential donors and collect the required targeted online donations.	The primary purpose of MuslimGiving is to leverage online fundraising and build strong, trusting relationships between donors and charities. <sup>13</sup>  The organization has set robust guidelines for NGOs and allows individuals to create campaign pages to raise funds for a particular cause.	Since its inception, MuslimGiving has raised around £1.5 million for over 300 charities. Within just a year, it has hosted over 700 campaigns, attracted 2,000 fundraisers, and handled donations from over 150,000 donors in over 60 countries. <sup>14</sup>




10 St Mungo's. (2017, July 3). St Mungo's partners with blockchain fundraisers to help rough sleepers. Retrieved from [https://www.mungos.org/press\\_release/st-mungos-partners-blockchain-fundraisers-help-rough-sleepers/](https://www.mungos.org/press_release/st-mungos-partners-blockchain-fundraisers-help-rough-sleepers/)

11 Salaam Gateway. (2018, May 22). Blossom Finance opens free service for Muslims to pay zakat in cryptocurrency. Retrieved from <https://www.salaamgateway.com/story/blossom-finance-opens-free-service-for-muslims-to-pay-zakat-in-cryptocurrency>

12 GiveSendGo website. Retrieved from <https://www.givesendgo.com/>

13 MuslimGiving website. Retrieved from <https://www.muslimgiving.org/>

14 Lake, H. (2019, April 3). *MuslimGiving raises £1.5m in its first year*. Retrieved Nov 3, 2019, from UKFundraising: <https://fundraising.co.uk/2019/04/03/muslimgiving-raises-1-5m-in-its-first-year/#.Xb7P7ZozZPY>



Company	Primary idea	Key-value proposition	Other notable attributes or accomplishments
<b>Chatbot</b>			
<p><b>Christian Aid</b> (Christianity)</p> 	<p>Christian Aid launched several user-friendly tools last year on its 60th anniversary, one of which was a chatbot. In cooperation with The Bot Platform, the chatbot was introduced to support and raise awareness of projects carried out during Christian Aid Week, an annual campaign by Christian Aid.</p>	<p>The chatbot allows users to engage with Christian Aid through Facebook Messenger and raise awareness on the campaigns carried out during Christian Aid Week. The primary purpose of the bot was to educate people on the suffering of families hit by Hurricane Matthew in Haiti in 2016 and encourage participation in Christian Aid Week to support those affected. Once Christian Aid Week takes off, the bot will begin educating users on Christian Aid and the work they do.</p>	<p>Other digital initiatives introduced during Christian Aid Week included an <b>online game</b> 'Escape the Storm,' which demonstrated how hurricane-hit zones may look and how to find shelter from this type of disaster using Google Street View technology. Christian Aid organizes Christian Aid Week annually, and about <b>13,000 churches</b> and <b>60,000 volunteers</b> took part last year.<sup>15</sup></p>
<b>Mobile Apps</b>			
<p><b>Tzu Chi Connect</b> (Buddhist)</p> 	<p>Tzu Chi Connect is a newly launched mobile app aiming to provide donors with easy access to the projects they are most interested in supporting.</p> <p>They can also track their contributions through history reports.</p>	<p>Donors can audit their contributions through online reports. Users can save small amounts on their donation app and quickly get the amount dispersed.</p>	<p>The Tzu Chi Connect mobile app was recently launched in celebration of 30 years of service.</p> <p>Donors who volunteer at Tzu Chi can share their stories online and inspire others.<sup>16</sup></p>
<p><b>Zakatify</b> (Islam)</p> 	<p>Zakatify is a Zakat-giving mobile app that allows donors to choose a Zakat-eligible charity, set targets, and have donations automatically sent to the selected charities.</p>	<p>The main aim of Zakatify is to simplify the Zakat obligation and provide donors with a variety of Zakat-eligible charities. Users can create a personalized portfolio of their favorite charities, set Zakat goals, and use automatic fund distribution.</p>	<p>Zakatify has nearly 1,500 charities in the U.S. with plans to expand into the U.K., Canada, and Australia. Users donating are referred to as 'Zakatifiers' and earn points towards donation milestones, with which top Zakatifiers can earn bonus donations for their portfolios.<sup>17</sup></p>

<sup>15</sup> Christian Aid Week boosts digital engagement with new tools. (2018, May 14).

Retrieved Nov 6, 2019, from Charity Digital News: <https://www.charitydigitalnews.co.uk/2018/05/14/christian-aid-week-digital-engagement/>

<sup>16</sup> Tzu Chi USA. (2019, Apr 18). Introducing 'Tzu Chi Connect'. Retrieved from <https://tzuchi.us/blog/introducing-tzu-chi-connect>

<sup>17</sup> Zakatify website. Retrieved from <https://www.zakatify.com/>

Company	Primary idea	Key-value proposition	Other notable attributes or accomplishments
<b>Alternative Payment Options</b>			
<p><b>Tzedek (Judaism)</b></p> 	<p>Apart from card payment and PayPal, Tzedek uses another payment option on its website. This is the <b>CAF Charity Account</b>, introduced by Charities Aid Foundation, which enables donors to save money in their account for charitable giving, and lets them control how and when they choose to disperse the amount to support charity projects.</p>	<p>Tzedek is a U.K.-based Jewish charity organization aiming to help fight extreme poverty, and works with some of the most impoverished communities in the world, regardless of race or religion.</p> <p>They have a variety of payment options available on their online platform and allow donors to choose and contribute any amount they wish.</p>	<p>Tzedek states it has helped over <b>3,500 people out of poverty</b> over the past year. Donors can donate as little as £10 and have three main payment options – card payment, PayPal, and CAF.</p> <p>Tzedek has built schools and set up vocational training schemes, involving around 1,200 participants, in an interfaith school-twinning program. Tzedek has raised over <b>£1.75 million</b> for <b>139 partnerships</b> with NGOs in Africa and South Asia.<sup>18</sup></p>
<b>Data Analysis and Management</b>			
<p><b>Catholic Relief Services (Christianity)</b></p> 	<p>CRS uses a customized Cash and Asset Transfer Platform (CAT), built on RedRose ONE ICT4D software, to manage beneficiary data. Cash and vouchers are provided to people who wish to exchange them for necessities.</p>	<p>The CAT system helps teams to collect, analyze, and manage data at each stage of the program.</p> <p>Teams can disburse cash and vouchers through CAT to beneficiary cards, bank accounts, or mobile money accounts, as well as print paper vouchers.</p>	<p>Last year, CRS reached <b>1 million transactions</b>, which included the withdrawal of cash and goods bought with vouchers through CAT.<sup>19</sup></p>

<sup>18</sup> Tzedek website. Retrieved from <https://tzedek.org.uk/>

<sup>19</sup> *1 Million Transactions*. (2018, April 30). Retrieved Nov 6, 2019, from Catholic Relief Services: <https://www.crs.org/stories/1-million-transactions>



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# 8. In Focus:

## Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund

His Excellency (H.E.) Sheikh Thani's generous Zakat contribution of \$35,215,260 through the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund has supported 41,501 households/families in Yemen, as well as 106,313 refugee households/families and 84,410 host community members in Bangladesh through the United Nations Refugee Agency (UNHCR), during 2019.

His Excellency Sheikh Thani Bin Abdullah Bin Thani Al-Thani has been exemplary in pioneering the work of Islamic philanthropy with UNHCR. The importance of this Zakat contribution goes beyond the substantial amount donated, given the uniqueness of the nature of the funds, as it allows us to support the most vulnerable populations in ways that were not feasible before and paves the way for others to follow suit.

A total of 164,696 families (approximately 875,000 individuals) were supported through this form of donation. The numbers reflect the many faces of men, women, children, those with special needs, and the elderly whose lives were positively and substantially improved in dignified ways.

For the returnees, host communities and internally displaced families in Yemen, these life-saving funds provided much-needed cash assistance that ensured immediate needs were met. The cash assistance received supported the provision of rental subsidies, repayment of loans and debt, health and nutritional services, as well as the provision of food.

In Bangladesh, and through the substantial contribution of the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund, Rohingya refugees were provided with shelter materials for repairs, replacement, and reinforcement, which supported many during the monsoon season. Other items included Water, Shelter, and Hygiene (WASH) kits that consisted of detergents, jerry cans, soap, nail cutters, and brushes, which covered the specific hygiene needs of refugees in registered camps. In addition to the shelter and WASH kits, female hygiene kits were also provided. Furthermore, solar lamps were distributed to Rohingya refugees, which helped them engage in productive activities, including education and reduced protection-related risks.

Household kits were also distributed, including sleeping mats, blankets, tarps, and mosquito nets, as well as a winterization kit that was composed of blankets, sleeping mats, and metallic cups. Moreover, families received distributions of Liquefied Petroleum Gas (LPG) to allow healthy cooking and avoid depletion of forests for wood needed for fuel. Refills were also provided.

Through Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund, UNHCR was also able to provide integrated primary and secondary health services through the provision of medicines to refugees through camp health facilities. Due to the conditions in the camps, and as they are prone to flooding, action was taken to prevent the spread of waterborne diseases through the distribution of essential and life-saving items such as bathing and laundry soaps, aqua tabs, jerry cans, and buckets.

The welcoming host community of Bangladesh was also supported through cash grants supported by the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund to enhance social cohesion. Many of these community members were some of the most vulnerable families, including female-headed households, widows, and senior members and persons with special needs.



© UNHCR/Ayat El Dewary

*A senior delegation from the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund is briefed on the Core Relief Items (CRIs) distributed to Rohingya refugees in Cox's Bazar in Bangladesh.*

This lifesaving and much-needed contribution by the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund enabled UNHCR to assist approximately 875,000 vulnerable and displaced individuals in Yemen and Bangladesh. Thanks to this timely contribution, the generous Zakat donation have allowed the most vulnerable populations to carry out their lives with dignity.

UNHCR, in collaboration with the team of Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund, ensured that all activities supported by this generous contribution, are Zakat compliant.





“My son needs multiple medical operations, but I can’t afford the cost of more surgeries.”

**Ali Mohammed fled Al Hudaydah with his wife, four children, mother, and sisters** when the city came under attack. They are temporarily living in one of the school classrooms in Sana'a, but the government has demanded that they evacuate after two months so that classes can resume. His second son (front-right) had birth complications and needs constant medical intervention for his bladder; however, Ali Mohammed cannot afford the medical care his children need. UNHCR, with the Zakat funds provided by the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund, was able to provide rental subsidies so he can continue to be sheltered.





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“My wife is sick; she can’t breathe in this weather. Even our food is dusty. Only this tent protects my family from the bad weather in Dhamar.”

**Sami and his two sons** live in the Ma’abar IDP hosting site in the Dhamar governorate. Their family of four fled the conflict from Taizz four months ago and rely on UNHCR’s assistance. With the Zakat contribution from Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund, UNHCR distributed cash for protection purposes to a total of 21,096 families (147,672 individuals) in Yemen.

# 9. Select Interviews



## 9.1 Global Islamic Finance Awards (GIFA)

The GIFA Awards Committee decided to highlight the role of UNHCR as the sponsor, promoter, and manager of the first Zakat distribution platform focused on the most vulnerable segments of the potential beneficiaries of Zakat – IDP and refugees. UNHCR's Refugee Zakat Fund aptly fulfilled all three criteria for GIFA selection: commitment to Islamic finance; adherence to Sharia; and promotion of social responsibility.

**1 It should be noted that since 2011, GIFA has added over 30 award categories for Islamic Finance Institutions. Tell us when and how the category for Zakat Distribution was established, and what criteria you have selected to assess nominees.**

Before answering this question, I must first emphasize the fact that the Global Islamic Finance Awards (GIFA) is the only Islamic finance award program in the world. It recognizes, rewards, and celebrates the triumphs of governments, institutions, products, and individuals who show commitment to Islamic banking and finance, adherence to sharia, and work to promote social responsibility. These three underlying principles are the foundation of our consideration of other performance-related factors that I will explain later.

When we started GIFA in 2011, we faced several limitations that are common hurdles for any new venture. We were first restricted by the availability of authentic data; however, as time went on, our research function evolved to become arguably the best in Islamic financial intelligence. This has allowed us to gradually expand our award categories from about 30 to over 50.

Zakat has been a focus of GIFA from the beginning. As Zakat operations vary in terms of size and scope, in the beginning, it was a challenge to establish a permanent Zakat category. However, our Islamic Social Responsibility Award has, on numerous occasions, considered Zakat collection and distribution as part of the winners' activities. For example, Islamic Relief Worldwide won the Islamic Social Responsibility Award in 2012, and one major factor that contributed to its winning was its Zakat and charity collection and disbursement function.

The first explicit Zakat category was introduced in 2015 when a Zakat collection and distribution program at Universiti Teknologi MARA (UiTM) received an award for Best Zakat Management in Higher Education Institutions. The Academy for Contemporary Islamic Studies (ACIS) at the UiTM won the Pioneer in Philanthropic Programmes of the Higher Education Institutions award in 2017. This was in recognition of their developing the above model for Zakat collection and distribution at UiTM. In the two years that followed, the Amil Zakat National Agency (BAZNAS) of Indonesia received the GIFA Championship Award (Zakat Management) in 2018 and Best Zakat Distribution Programme in 2019.

It was only in 2019 that the GIFA Research Team highlighted UNHCR's Refugee Zakat Fund as a global initiative for Zakat collection and distribution. After lengthy deliberations, the GIFA Awards Committee decided to highlight the role of UNHCR as the sponsor, promoter, and manager of the first Zakat distribution platform focused on displaced populations. Thus, a special category within the Zakat domain was created, and UNHCR was recognized as the Best Global Zakat Distribution Platform for 2019.

**2 Please provide an overview of the nomination and evaluation process, in particular for Zakat distribution, including how many candidates you typically consider for such an award.**

The process starts with a nomination that may take the form of self-nomination or nomination by a third party. Over 60% of nominations, however, come from a research team at Cambridge International Financial Advisory (Cambridge IFA), a U.K.-based global think tank. All the nominations are submitted to a Nominations Committee that scrutinizes them. This committee then forwards four selected nominees to the Awards Committee, who then decides the winner. Apart from the three base-line requirements, as mentioned earlier, the Awards Committee looks into various performance indicators (e.g., efficiency, cost-effectiveness, scope and coverage, innovation and profitability, etc.) and chooses a winner based on a comparative analysis.

In the case of the category of Best Global Zakat Distribution Platform, three other nominees were rejected, as they were not as global in their institutional reach as UNHCR. The Awards Committee appreciated the fact that it was the first credible global initiative for Zakat collection and distribution among one of the most vulnerable segments of the potential beneficiaries of Zakat, i.e., refugees.

**3 We noted that for this year, GIFA recognized UNHCR's Refugee Zakat Fund as the Best Global Zakat Distribution Platform. What factors and considerations influenced your decision?**

I think I have already partially answered this question. However, to reiterate, I will say that the GIFA Awards Committee was delighted to review the nomination of UNHCR's Refugee Zakat Fund, as it aptly fulfilled all three criteria for GIFA selection, namely (1) commitment to Islamic finance; (2) adherence to Sharia; and (3) promotion of social responsibility. The Committee Members hope that this global initiative will bring additional attention to the potential role of Zakat in poverty alleviation and sustainable development.

**4 Please provide your thoughts on UNHCR's strategic focus on Islamic philanthropy and the implications of multilateral organizations playing a more prominent role in the global distribution of Zakat. In which areas should more be done to support eligible recipients of Zakat?**

I am happy to see that several institutions have started looking into the global value proposition of Zakat. In particular, I am impressed by Indonesia's BAZNAS, and I would like to see strategic cooperation and collaboration between BAZNAS and UNHCR. As an Islamic finance innovator, I would like to see a global Zakat Sukuk to be issued by a sovereign or multilateral institution like UNHCR. This Zakat Sukuk should be cleverly structured to fulfill not only sharia requirements but also must be in line with Sustainable Development Goals (SDGs). I am fully aware that a Zakat Sukuk looks like a contradiction in terms, but this is how an innovator must think. Most of my innovative solutions have emerged from seemingly impossible ideas. Somehow, I have managed to create compelling Islamic financial solutions from them.

**Dr. Humayon Dar**

Founder and Chairman, Global Islamic Finance Awards (GIFA)





## 9.2 Iqraa TV

Iqraa TV values its partnership with UNHCR, primarily due to its credibility, efficient management and strong presence. They are confident that the Zakat funds received go directly and entirely to those in need through UNHCR.

### 1 **Could you tell us more about Iqraa's channel mission and its role in the field of Islamic charity?**

In the name of Allah, the Compassionate, the Merciful. Praise be to God, and blessings and peace be upon the Messenger of God.

Thank you for this interview and for allowing Iqraa and its team to contribute to the work of the UN Refugee Agency (UNHCR).

Since its launch in 1998, Iqraa TV channel has aimed to disseminate the real face of Islam and its core principles of tolerance and moderation, coexisting with people from different religions and cultures all over the world. The channel also offers a variety of family-oriented programs designed to cater to women, men, and youth audiences, with a number of religious, social and women's programs, in addition to documentaries and news programs. With the grace of God, the network has secured worldwide coverage, especially after the successful launch of two channels in English and French. Now, Iqraa's channels and social media are viewed by a global audience.

Iqraa is considered an Islamic channel and not a religious one, an Islamic channel that offers family programs in line with its values.

Since its establishment, Iqraa has participated in and contributed to supporting charitable work. Iqraa encourages people to volunteer through philanthropic institutions around the world. Through charity-oriented shows and programs, the channel has been able to help the needy since 1998 through extensive advertising and media campaigns and targeted programming, including recorded and live shows, all dedicated to supporting these initiatives.

### 2 **In your opinion, how can Zakat, Sadaqah, and other forms of Islamic charity help refugees and displaced people around the world?**

Zakat, one of the pillars of Islam, is an essential means of supporting and assisting the needy and poor in all parts of the globe, whether they are Muslims or non-Muslims. Zakat is one of the pillars of Islam that every capable person should fulfill every year by helping a needy individual or anyone who cannot afford basic sustenance.

Since the rise of Islam, this pillar has been a testament to and enforcer of social solidarity within society as a whole. In fact, in certain eras, Muslims were unable to find a needy person worthy of Zakat, as everyone within the community, Muslims and non-Muslims alike, had a good standard of living. Zakat was instead given to the birds. Nowadays, the need for Zakat and charity is more important than ever, with an increase in refugees and displaced persons as a result of ongoing conflicts and protracted humanitarian crises in both the Islamic world and elsewhere.

Therefore, Zakat and voluntary alms (such as Sadaqah) have become an essential pillar in assisting and supporting these refugees and providing them with a decent life so that, by God's will, they can return to their homeland with dignity and pride.

### **3 Why did you choose to partner with UNHCR?**

Our collaboration with UNHCR has been a great honor. UNHCR has a long history of charitable and humanitarian work. It has credibility and reliability, and its substantial presence in most parts of the world is an added value.

Working with such a renowned, credible institution allows us to accomplish many of Iqraa's goals in terms of contributing to humanitarian causes and supporting refugee populations. We aim to encourage charity work and offer credible channels for people and audiences to spend their Zakat, especially Iqraa viewers. We want to ensure that the Zakat goes to those in need. This is how we see our partnership with UNHCR come into play, as we believe in the efficiency and reputation of the work UNHCR does on the ground.

### **4 Tell us more about your viewers' interactions with UNHCR's campaigns.**

We are thrilled with the feedback we have received from our viewers relating to UNHCR's campaigns and the human-angled stories aired on our satellite networks or posted on social media platforms. Our rate of viewership and engagement is usually very high. We are also pleased to learn that UNHCR, in return, has received some excellent interaction from the campaigns, which affirms that partnerships between credible entities bear fruit.

### **5 A final word to your viewers and readers of this report on the importance of participating in charity and helping the needy, especially refugees.**

The desire to perform positive acts is a universal trait, and not something that only the wealthy and affluent are capable of. It is perfectly common that someone of lesser means helps their neighbor or community in times of strife, despite having little to give. However, speaking specifically of those with more resources at their disposal, performing acts that benefit those struggling with poverty or other crises can be viewed as a moral obligation.

God the Almighty says: "Who is it that would loan God a goodly loan so He may multiply it for him many times over?" God considered the support of the needy as a loan, one which would be paid back in a far larger amount. This amount would not necessarily be financial, but be paid in terms of prosperity and good health. So, from a religious standpoint, giving to the needy is an investment in a person's own wellbeing, as well as that of their family.

The prophet (PBUH) says: "The most loved people to God are the most beneficial, and the most loved deeds to God are making a Muslim happy, to relieve him from hardship, to pay his debts or to repel hunger from him. I prefer to help a Muslim brother in need than to stay in the mosque for a month."

I hope those who read this, myself included, take the initiative and begin to help the needy and refugees in their most desperate moments. I hope that many more people join in donating or contributing to campaigns initiated through credible channels like UNHCR, especially since UNHCR does not deduct any amount from the Zakat funds to cover its costs, and full donations reach the recipients who need them.

I invite everyone to contribute through support and donations, as God will strongly appreciate this.

Thank you for giving us the opportunity, and I pray to God to bless us all and help us achieve good and righteousness.

Peace, mercy, and blessings from God

**Mohammed Sallam**  
Iqraa, TV General Manager

# 10. Report Purpose and Methodology

## Report purpose and objectives

The core purpose of this report is to highlight progress made by UNHCR's Refugee Zakat Fund since the beginning of 2019, as well as to highlight priorities for the Fund and the broader Islamic social finance industry going forward in addressing the needs of displaced persons, with the following objectives:

- a) Raise awareness about the situation of displaced and host communities globally, including refugees and IDPs, and their humanitarian needs
- b) Highlight the core impact of UNHCR's Refugee Zakat Fund on displaced communities across Jordan, Lebanon, Iraq, Yemen, Mauritania, Egypt, and Bangladesh
- c) Showcase significant trends in broader philanthropy that could inform how Islamic social finance develops as an important source of funding for displaced persons

## Methodology

A wide range of sources and methods were used in the production of this report.

### 1) Secondary research

Over 30 sources were used in the production of this report, including but not limited to, Islamic Research and Training Institute; IMF International Rescue Committee; Pew Research; Thomson Reuters; UNDP; UNHCR, and OCHA.

### 2) Primary research

In producing this report, the DinarStandard team conducted in-depth interviews with UNHCR's Zakat team and further leveraged select interviews with donors and institutions, which have been included within this report.





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# 11. Acknowledgements

Produced by:



UNHCR, the UN Refugee Agency, guides international action to protect people forced to flee their homes because of conflict and persecution. We deliver life-saving assistance like shelter, healthcare, cash and water, help safeguard fundamental human rights, and develop solutions that ensure people have a safe place to call home where they can build a better future. We also work to ensure that stateless people are granted a nationality. From UNHCR's side, this report was led by the Private Sector Partnerships Unit, which sets the organization's strategy for engagement with individuals, corporations and foundations.

In partnership with:



DinarStandard™ is a growth strategy research and advisory firm empowering organizations for profitable and responsible global impact. DinarStandard specializes in the Halal/Tayyab food, Islamic/Ethical Finance, Halal Travel, Islamic NGOs and OIC member country sectors. Since 2008, DinarStandard has been advising organizations globally on market expansion, business/investment strategy, and innovative marketing strategies. Its clients include global multi-nationals, Islamic financial institutions, halal market startups and NGOs.

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## 12. Glossary

Term	Definition
<b>Asylum Seekers</b>	An asylum-seeker is someone whose request for sanctuary has yet to be processed.
<b>Fatwa</b>	A ruling on an aspect of Islamic law given by a recognized authority.
<b>Fintech</b>	Financial Technology (Fintech) is an emerging concept that uses technology to disrupt the financial services, business operations, and customer services.
<b>Halal</b>	The word 'Halal' literally means permissible in Arabic and is also frequently translated to mean lawful.
<b>IDPs</b>	An internally displaced person (IDP) is someone who is forced to flee his or her home but who remains within his or her country's borders.
<b>MENA</b>	The Middle East and North Africa
<b>OIC</b>	The Organisation of Islamic Cooperation (OIC) is the second-largest inter-governmental organization after the United Nations, with a membership of 57 states, covering four continents.
<b>Purification Funds</b>	Donation of funds earned by Islamic banks from transactions that are not Sharia compliant, for example late payment fees.
<b>Refugees</b>	A refugee is someone who has been forced to flee his or her country because of persecution, war or violence.
<b>Shariah</b>	Islamic law that is a religious law forming part of the Islamic tradition. It is derived from the religious precepts of Islam, particularly the Quran and the Hadith.
<b>UNHCR</b>	The Office of the United Nations High Commissioner for Refugees is a United Nations program with the mandate to protect refugees, forcibly displaced communities and stateless people, and assist in their voluntary repatriation, local integration, or resettlement to a third country.
<b>OCHA</b>	The United Nations Office for the Coordination of Humanitarian Affairs is a United Nations body formed in December 1991 by General Assembly Resolution 46/182. The resolution was designed to strengthen the UN's response to complex emergencies and natural disasters.
<b>Waqf</b>	A Muslim religious or charitable foundation created by an endowed trust fund. The plural is Awqaf.
<b>Zakat</b>	Zakat represents a mandatory religious requirement in Islam for individuals and institutions to give 2.5% of their accumulated wealth to those in need.



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