



المؤتمر العالمي الرابع عشر لعلماء
الشريعة في المالحة الإسلامية

ISSF2019

14TH INTERNATIONAL SHARI'AH SCHOLARS FORUM



Session 3: Successful Models Of The Existing Islamic Social Banks And Social Finance

UNHCR Slide

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Patron



BANK NEGARA MALAYSIA
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الجهة المنظمة
Organised by



ISRA International Shari'ah Research
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الأكاديمية العالمية للبحوث الشرعية في المالحة الإسلامية

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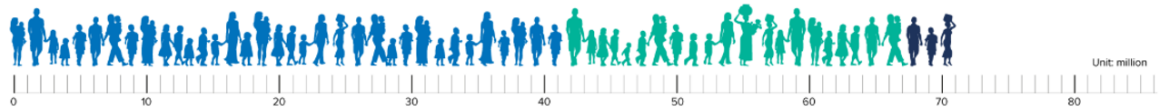
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The Situation ◆◆

70.8 million forcibly displaced people worldwide

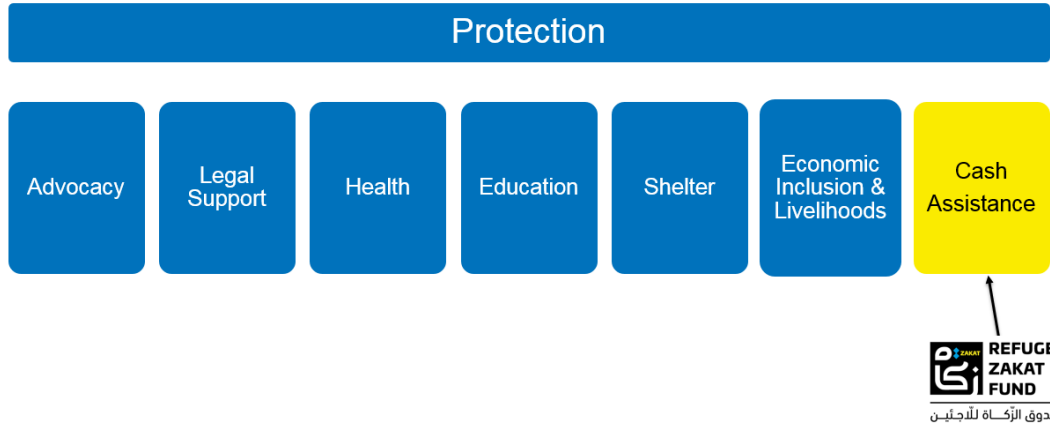


Internally Displaced People
41.3 million

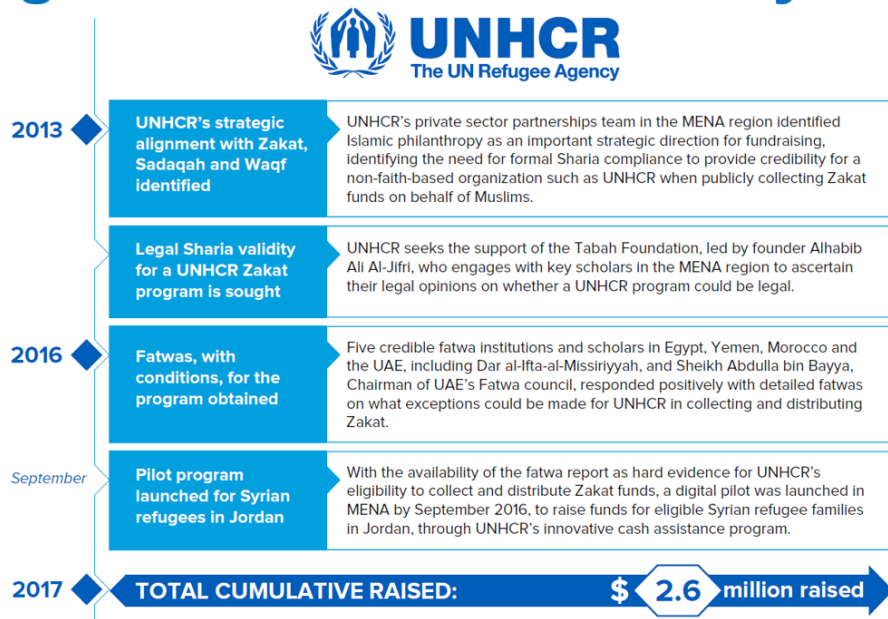
Refugees
25.9 million
20.4 million under UNHCR's mandate
5.5 million Palestinian refugees under UNRWA's mandate

Asylum-seekers
3.5 million

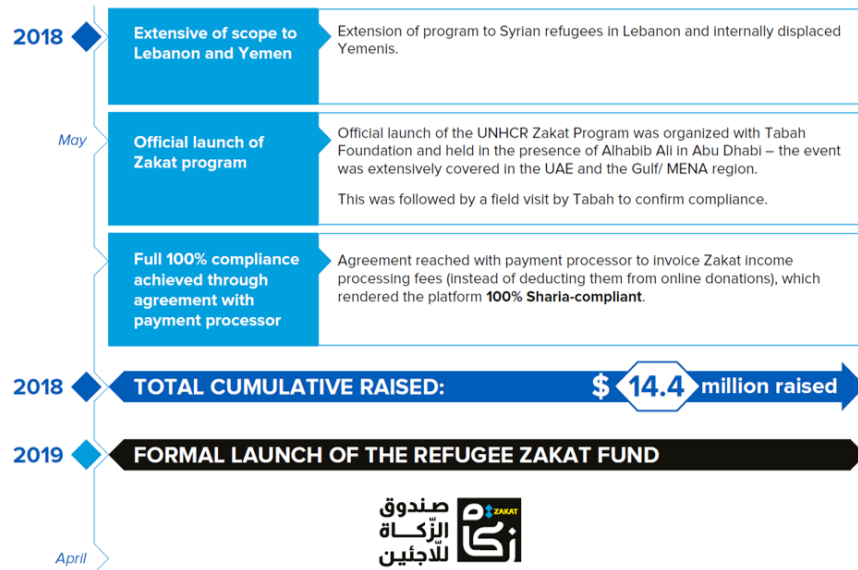
What we do



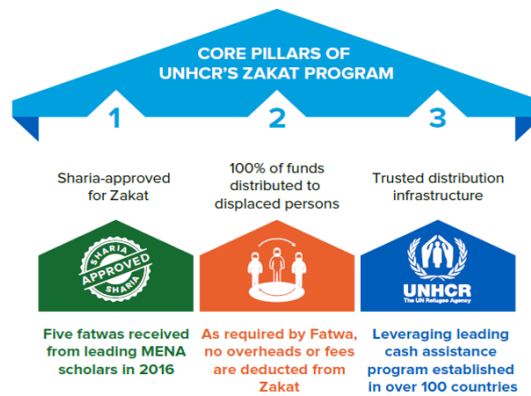
Refugee Zakat Fund - Journey



Refugee Zakat Fund - Journey



Refugee Zakat Fund - Pillars



Refugee Zakat Fund - Fatwas

➤ UNHCR received 5 fatwas from:

- Sheikh Abdullah bin Bayya
- The Fatwa Council of Tareem
- The Council of Senior Scholars of Morocco
- Dr. Sheikh Ali Goma
- Dar al-Ifta al-Missriyyah

➤ The fatwas summary mentions **3 essential points**:

1. UNHCR can collect and redistribute Zakat on behalf of Muslims.
2. Zakat funds must be given to the **categories** mentioned in Quran 9:60.
3. Zakat funds must not be used to cover expenses or wages. **100%** must be given to beneficiaries.



TABAH REPORT | NO. 1 | MAY 2017

UNHCR ZAKAT COLLECTION AND DISTRIBUTION

MUSA FURBER

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صندوق الزكاة لللاجئين



Refugee Zakat Fund – Fatwas conditions

➤ **Zakat funds must be given to the categories of Zakat**

Displaced populations are eligible recipients of Zakat, **meeting four of the eight** criteria prescribed for Zakat beneficiaries, as the beneficiaries supported by the cash programme are: *Fuqara, Masakeen, Abna' Sabeel* and most of them are also *Gharimeen*.

➤ **Zakat funds cannot be used for overhead costs**

Through the Refugee Zakat Fund, UNHCR provides an efficient, trusted route for people to fulfil Zakat obligations. Through its **unique cash-assistance programme**, fully **100%** of Zakat contributions go directly to eligible beneficiaries.

Amid controversies over some charities and aspects of charitable giving in the region, UNHCR provides **complete peace of mind**: our Zakat Programme is subject to rigorous governance and oversight, ensuring transparency throughout the process. Our core mandate and ground work set the global benchmarks for provision of aid.

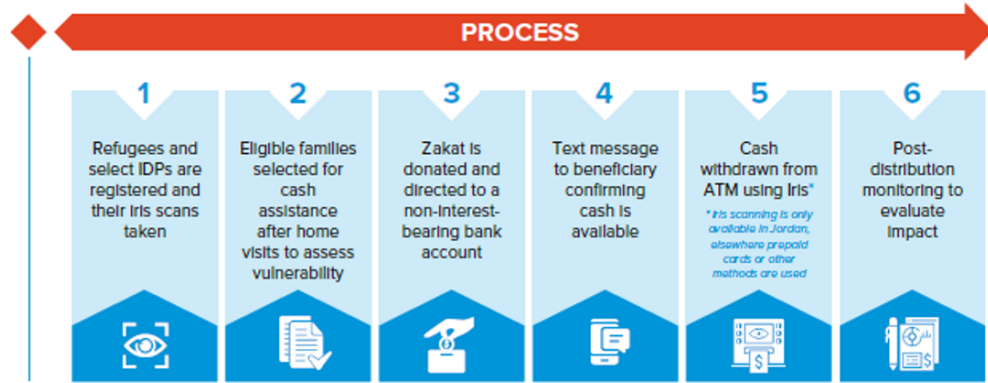


صندوق الزكاة لللاجئين



Refugee Zakat Fund - Process

Figure: The Journey of Zakat Funds from Donor to Recipient



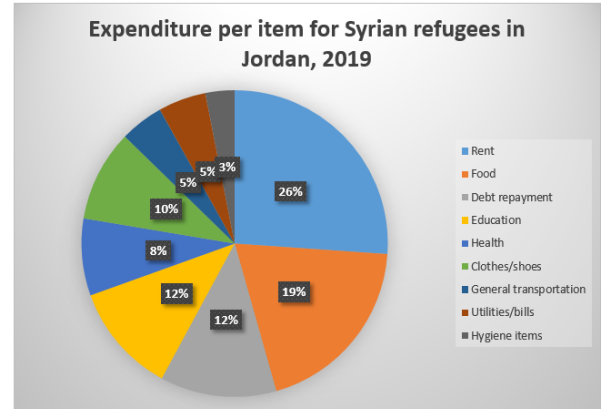
Refugee Zakat Fund – Cash distribution

- UNHCR uses specific framework in each country to ensure that Zakat benefits the most vulnerable displaced families in **Jordan, Lebanon, Egypt, Yemen, Iraq and Mauritania**. Through the provision of cash assistance Zakat helps families cover basic needs including rent, utility bills, healthcare and debt repayment. Families can access the cash through **different mechanisms according to each country**.
- Covering needs remains challenging for eligible families, with **access to income opportunities being extremely limited**. As the conflict prolongs, precious savings they brought from home are depleting and **many are now in debt**. Humanitarian assistance is therefore **a crucial lifeline** for many refugees living in urban settings, especially for the vulnerable population such as women-headed households, elderly, or those with disabilities.

Jordan	ATM – IRIS scan
Lebanon	ATM – Bank cards
Yemen	Hawala system
Iraq	Mobile wallets
Egypt	Cash over the counter – Post office
Mauritania	Cash over the counter

Refugee Zakat Fund - Impact

- Beneficiary families will be enabled to cover **essential costs of living**, such as rent, debt repayment, utilities, medical care for children, clothing, school fees and food. It also helps refugees in improving their social networks by allowing them to repay loans borrowed from family, neighbours, and landlords; therefore, reducing household tensions.
- Many beneficiary families are often headed **by women alone** who can face cultural, legal and childcare obstacles finding work. Cash assistance helps prevent thousands of refugees facing severe hardship and resorting to desperate survival strategies – such as pulling children out of school, child labour and begging or returning to war zones.



Refugee Zakat Fund – Bangladesh

Zakat is given in the form of **Liquefied Petroleum Gas (LPG)** refills to needy Rohingya families in Bangladesh.

Firewood collection raises the risk of **physical assault** including SGBV, and increases tension and conflict with the host community who feel the need to protect their natural resources and livelihoods, thus presenting serious protection risks. It also works against Government objectives **to protect their natural resources** and ecosystem health. It is estimated that over 820 tons of trees per day are being cut down to provide cooking fuel, corresponding to **over four hectares per day**. In addition to the environmental impacts, the smoke created in such a densely populated area is negatively impacting **the health of the population**.

UNHCR has therefore explored other alternatives to mitigate these risks. LPG is already being used by families in all areas of the camps and is widely available in the host community and is considered **the best long-term solution in the current context**.



"The smoke was everywhere. Worst of all, the children were coughing and their eyes burned."

Rohingya refugees Mostafa Kamal, 37, and his wife Monowara, 30, are now cooking with bottled gas in their shelter in Kutupalong Refugee Camp. Thanks to the LPG they no longer have to make dangerous journeys in the forest to collect firewood like they used to.

November 2018, UNHCR © Roger Arnold



Refugee Zakat Fund – Governance

Sharia-Compliance	Financial	Assessment & Monitoring
<ul style="list-style-type: none"> ✓ Scholars: Backed by fatwas from five leading scholars and institutions. ✓ Infrastructure: Follows fatwa recommendations in terms of dedicating 100% of funds to Zakat eligible refugees. ✓ M&E: 3rd party, Tabah Foundation, visits the field two times a year to ensure compliance and issue reports, which are also shared with above mentioned scholars. 	<ul style="list-style-type: none"> ✓ Management & accountability: Funds are kept in dedicated interest-free bank account with UBS in Geneva (in USD, EUR and GBP). ✓ Traceability: All funds are earmarked to Zakat compliant cash assistance programs in identified countries with high needs. ✓ Transparency: Quarterly reports on collection and distribution are published on quarterly basis. 	<ul style="list-style-type: none"> ✓ VAF: Vulnerability assessment frameworks to identify the most vulnerable beneficiaries. ✓ Innovation: due diligence, and use of technology in collection and distribution, minimizes fraud and duplication. ✓ PDM: Post distribution monitoring twice a year, to measure impact and improve implementation.



Refugee Zakat Fund – Impact up to 2018

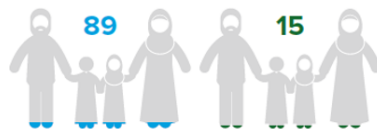
\$14.4 million
In funds fully distributed



3,801
Syrian families in Jordan

2,983
Syrian families in Lebanon

6,888 families
assisted



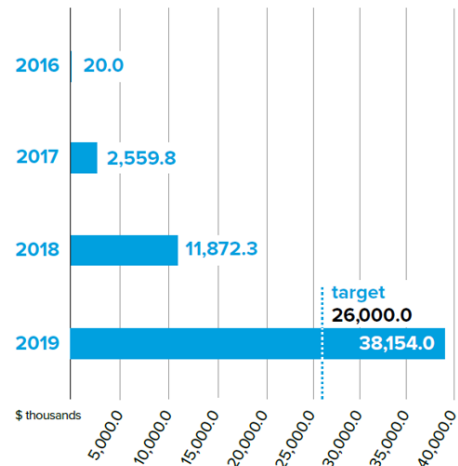
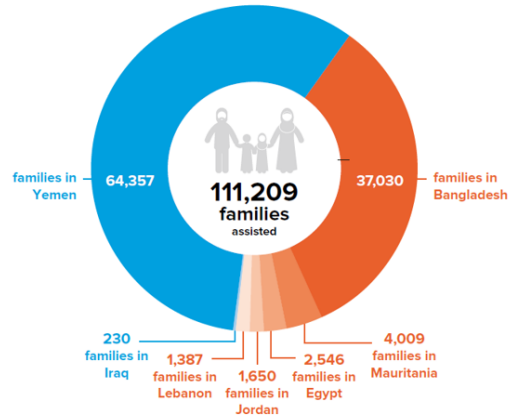
89
Yemeni families in Yemen

15
Iraqi families in Jordan



Refugee Zakat Fund – Impact Mid-2019

Zakat fundraising by year



Refugee Zakat Fund – Extended Impact on Host Communities

- **Host economy & social cohesion:** Injects cash into local economy, refugees become a purchasing power at local vendors. This strengthens the contribution of refugees to the local economy.
- **Poverty graduation:** In less than 20 months, UNHCR lifted over 20% of refugee families out of destitution, raising them above the poverty line in Jordan.
- **GDP growth:** impact on community varies by location, but cash assistance was found to have an overarching positive effect on the economy, most notably in Lebanon, where every dollar of cash assistance received has added \$2.13 to GDP.



Launch of Sadaqah Jariah

Long-term impact

WASH

Education

Shelter

Livelihoods



Thank You

