



# REFUGEE ZAKAT FUND



# ◆◆ Contents

## FOREWORD



## EXECUTIVE SUMMARY



## THE REFUGEE ZAKAT FUND MID-YEAR ACHIEVEMENTS



## REFUGEE JOURNEY



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# 1. Foreword

The Asia-Pacific region is home to 9.5 million people of concern to UNHCR. This includes 4.2 million refugees, 2.7 million IDPs and 2.2 million stateless people. The region encompasses highly complex situations, including emergencies like the displacement of more than 700,000 Rohingya refugees from Myanmar to Bangladesh, and protracted scenarios like the Afghan refugee situation which is today in its 40<sup>th</sup> year.

As the region's largest and most protracted refugee situation in Asia, there are currently 2.7 million Afghan refugees globally, making it the second largest country of origin of refugees after Syria. The majority, some 2.4 million, are hosted by the Islamic Republics of Iran and Pakistan. In addition, there are over 2.1 million internally displaced persons (IDPs) within the territory of Afghanistan.

In Bangladesh, some 906,000 refugees from Myanmar have been hosted in the world's largest refugee settlement since 2017, when targeted violence against the Rohingya minority created one of the world's fastest growing refugee crises. In a matter of months, hundreds of thousands of refugees, 55% of whom are children, fled across the border to Cox's Bazar. While Government and people of Bangladesh have generously hosted them, many challenges remain, including in the context of natural disasters. There have been almost 200 landslides and over 47,000 refugees affected since the beginning of the monsoon season this year.

UNHCR has had to identify new sources of funding to support the humanitarian response to these complex situations, especially at a time when traditional giving is far from sufficient to cover the needs of displaced populations worldwide. The Rohingya crisis has received less than 30% of the \$307.6 million needed for 2019, with hopes that Islamic philanthropy in general, and Zakat in particular, will play a growing role in supporting humanitarian programmes for Rohingya refugees in Bangladesh. Four decades on, the Afghan situation also continues to face severe underfunding.

With the vast majority of refugees in Asia Pacific being eligible for Zakat, we think it is time to harness the power of Zakat and other Islamic philanthropy mechanisms to positively impact the lives of displaced populations in the region. Earlier this year, UNHCR introduced the "Refugee Zakat Fund." The Fund is a globally trusted, effective, and Sharia-compliant structure that channels Zakat funds to the most vulnerable refugees and IDPs around the world.

The potential is substantial, with Zakat received for Rohingya refugees amounting to more than \$22 million in 2019 alone. Capitalizing on this success and trust, we are working to maximize the impact of these funds for the benefit of the most vulnerable refugees in the country.

We believe that Islamic philanthropy is yet to realize its full potential within the global humanitarian sector, and it is our responsibility to effectively channel this potential to not just address the immediate humanitarian needs of refugees, but to provide them with a secure and sustainable future. Please join us on this journey today.

— Indrika Ratwatte  
UNHCR Director of the Regional Bureau of Asia Pacific



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## 2. Executive summary

UNHCR's Refugee Zakat Fund raised \$38.1 million in the first half of the year, far surpassing a target of US\$26 million originally set for 2019, and establishing itself as a globally trusted and Sharia-compliant structure for efficient collection and distribution of Zakat funds to the most vulnerable refugees and internally displaced persons (IDPs).

The Refugee Zakat Fund has taken important steps in establishing itself as the main enabling institution for UNHCR to direct Zakat funds to displaced persons most in need around the world. Of the \$38.1 million in Zakat donations received, \$35.5 million was from large and private donors.<sup>1</sup> \$2.2 million was raised online in Ramadan alone, with the Fund benefitting substantially from wide media coverage and media partnership with Iqraa TV, a leading global Islamic television channel.

**The Refugee Zakat Fund has supported 111,209 families (648,476 individuals) so far this year across Jordan, Lebanon, Yemen, Iraq, Egypt, Mauritania and Bangladesh, taking critical steps towards supporting Rohingya refugees in Bangladesh.**

\$15.9 million of the Zakat funds raised was distributed in the form of multi-purpose cash assistance to these families across seven countries, with the largest three destination countries comprising Yemen (\$13.5 million); Jordan (\$0.7 million), and Lebanon (\$0.6 million). The remainder of the funds are mostly assigned to help some 670,000 Rohingya refugees in Bangladesh and distribution is in progress.

The Fund expanded its footprint to Bangladesh within a month of its official launch<sup>2</sup>, and UNHCR plans to utilize the funds for the distribution of much needed Liquefied Petroleum Gas (LPGs), necessary for cooking everyday hot meals, among other Zakat-compliant activities. UNHCR leads the humanitarian response to more than 900,000 Rohingya refugees in Bangladesh, most of which were displaced after violence erupted in Myanmar in August 2017.

**Building on solid progress, UNHCR has revised the Fund's target to \$44 million in Zakat donations for 2019 to help over 1 million beneficiaries. In addition to strengthening its global footprint, building robust partnerships and collecting Sadaqah Jariyah.**

With growing publicity, the Fund is well-positioned to sustain its Zakat collection activities, and enforce its footprint across Yemen, Jordan, Lebanon, Iraq, Bangladesh, Egypt and Mauritania. The Fund's impact will be supplemented through its Sadaqah Jariyah campaign, launched post Ramadan to support refugees in Bangladesh as a priority.

The Fund aims to capitalize on increasing recognition through pursuing robust partnerships with foundations, family offices and Islamic financial institutions.



Photo: © UNHCR/Hannah Maule-ffinch

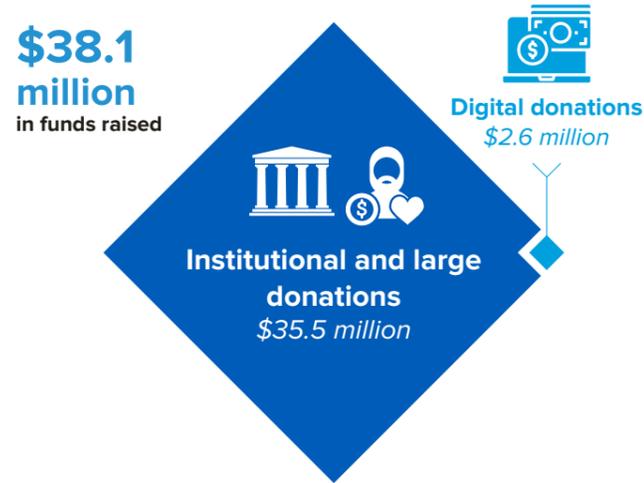
<sup>1</sup> Top 5 countries where Zakat donors are from: UAE, KSA, Qatar, USA, and Egypt.  
<sup>2</sup> "UNHCR Adds Rohingya Refugees to Refugee Zakat Fund Beneficiaries." Salaam Gateway. May 30, 2019. [https://www.salaamgateway.com/en/press-releases/unhcr\\_adds\\_rohingya\\_refugees\\_to\\_refugee\\_zakat\\_fund\\_beneficiaries-SALAAM30052019133740/](https://www.salaamgateway.com/en/press-releases/unhcr_adds_rohingya_refugees_to_refugee_zakat_fund_beneficiaries-SALAAM30052019133740/).

# 3. Visualizing Zakat for refugees

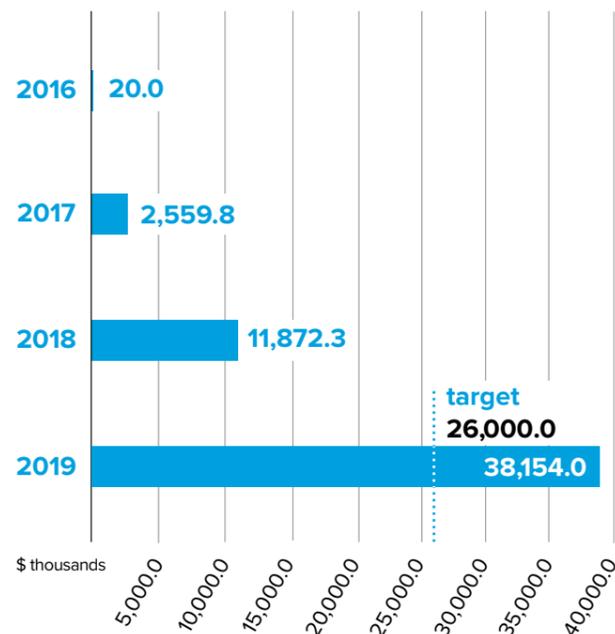
## Exceeding expectations:

The Refugee Zakat Fund raised \$38.1 million in 6 months

### Zakat fundraising by source



### Zakat fundraising by year



Source: UNHCR's Refugee Zakat Fund internal data

## Expanding scope:

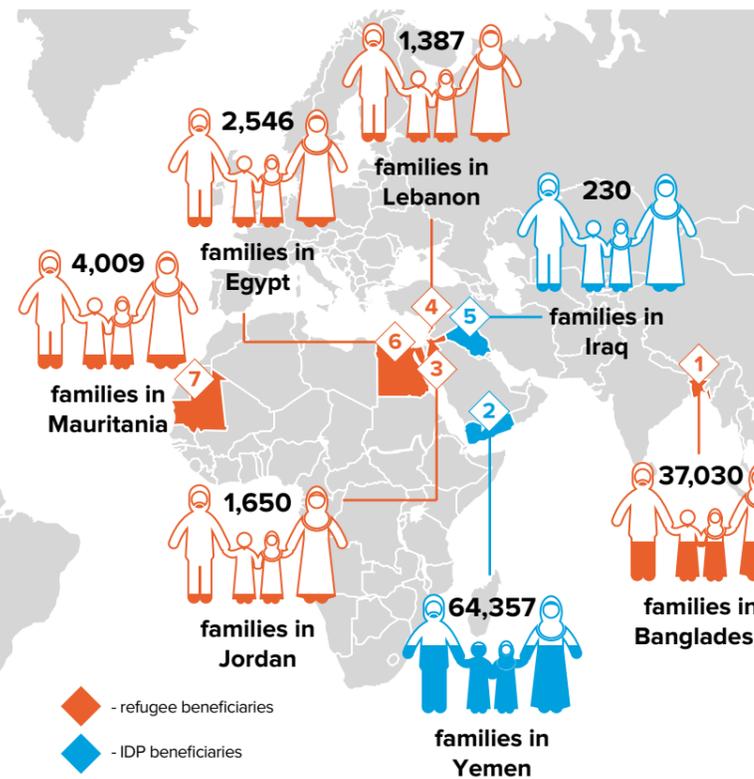
The Refugee Zakat Fund has distributed \$15.9 million to 111,209 families or 648,476 individuals in 6 months, broadening its geographic scope to Bangladesh, Egypt, Iraq and Mauritania

### Funds received by country



Breakdown of \$38.1 million Zakat funds received by country

### Families benefited by country



◆ - refugee beneficiaries  
◆ - IDP beneficiaries

### Funds distributed by country



\* The remaining amount will be distributed in the 2nd half of 2019

Breakdown of \$15.9 million Zakat funds disbursed by destination

## Moving forward:

The Refugee Zakat Fund has made discernible progress against its main goals, setting an ambitious path forward



# 4. The Refugee Zakat Fund mid-year achievements

## 4.1 Introduction

The Refugee Zakat Fund has capitalized on its successful launch in April 2019, and has surpassed the fundraising target of \$26 million originally set for 2019 as mentioned in the launch report. The Fund seeks to build on its momentum, expanding its footprint to Bangladesh, establishing new partnerships and starting a Sadaqah Jariyah campaign.



© UNHCR/Rashed Al Dubai

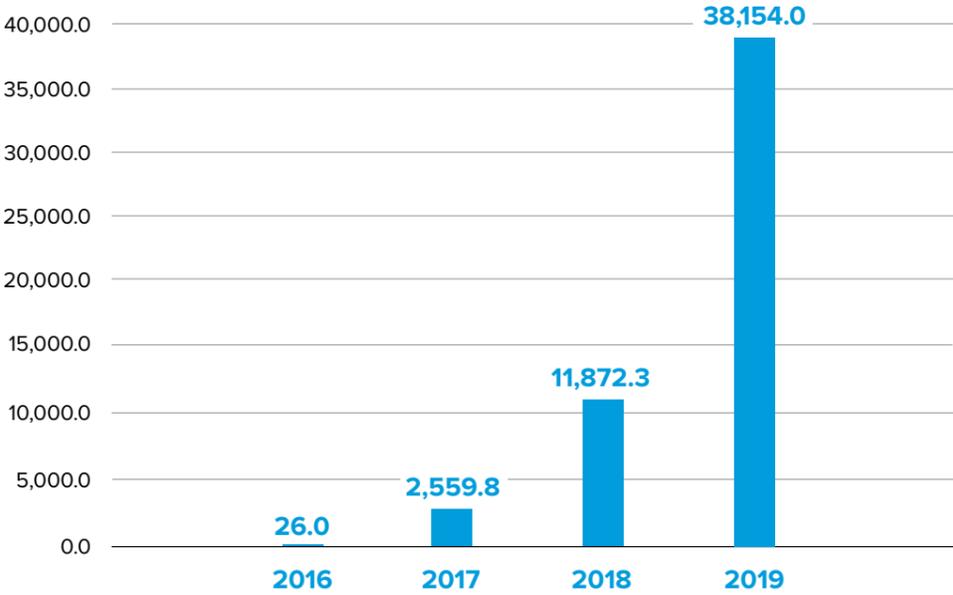
## 4.2 The Fund's impact in 2019

**\$38.1**  
million raised  
by mid-2019

UNHCR's Refugee Zakat Fund has gained substantial traction in 2019, raising a staggering \$38.1 million, with \$35.5 million raised from large and institutional donors.

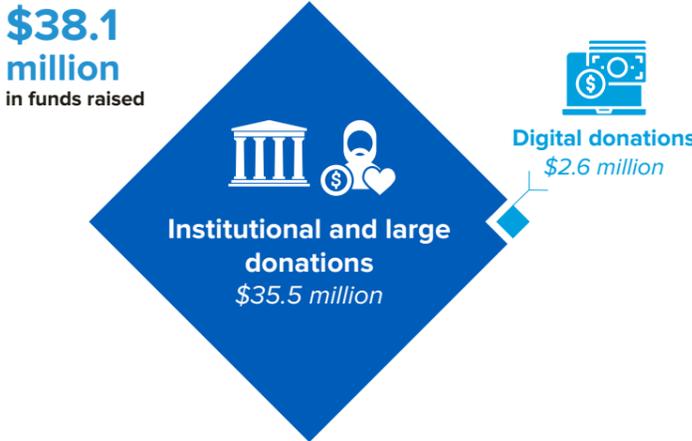
**\$38.1 million of Zakat Funds has so far been raised for the first half of 2019**, with large donations from institutions and high net worth individuals contributing \$35.5 million. During this same period, \$2.6 million was raised through digital donations, of which \$2.2 million was raised during Ramadan alone.

Figure: Zakat fundraising by year, \$ 000s



UNHCR's Refugee Zakat Fund internal data

Figure: Zakat fundraising by source, \$ 000s



UNHCR's Refugee Zakat Fund internal data

**648,476**  
individuals assisted with Zakat funds by mid-2019

\$15.9 million was disbursed to 111,209 families (648,476 individuals) during the period.

The total amount disbursed met cash assistance requirements of 111,209 families for the first six months of 2019<sup>1</sup>, with Yemen accounting for the largest amount of disbursements, totaling \$13.5 million.

Figure: Zakat funds disbursed by destination, \$ 000s

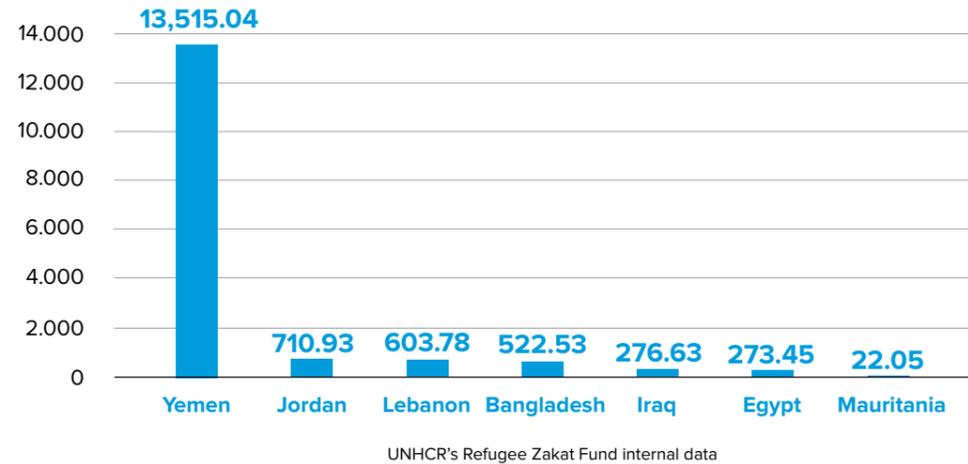
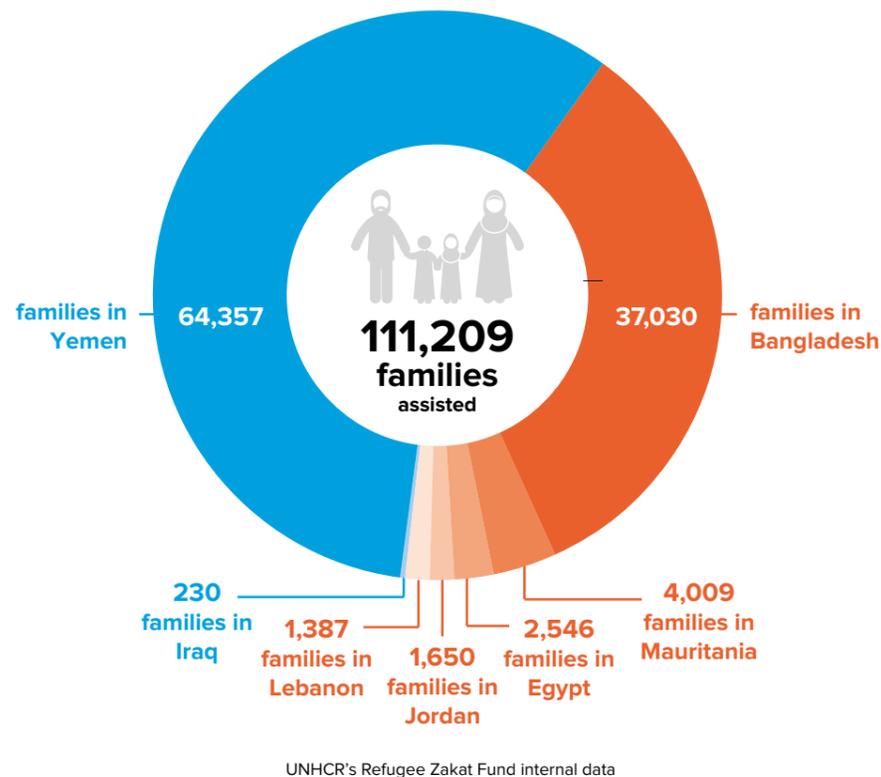


Figure: Number of families assisted by destination in the first half of 2019



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<sup>1</sup> Based on UNHCR data, the monthly expense requirements of each family varies from one country to another.

### 4.3 Significant developments in 2019

- 1 major donation
- 1 media partnership
- 4 new countries receiving Zakat

The Refugee Zakat Fund has gained substantial momentum since its launch in April 2019, expanding its scope to Bangladesh, signing major charity and media partnerships, and with UNHCR receiving its largest ever donation from an individual.

The Refugee Zakat Fund has achieved substantial milestones in the first six months of the year, positioning the Fund for an overall strong impact for 2019.

Figure: Milestones for the Refugee Zakat Fund in 2019

April 2019		The Refugee Zakat Fund received \$35.2 million from Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund. This constitutes the largest-ever single donation received by UNHCR from an individual, of which \$13,000,260 was dedicated for providing cash assistance to 300,000 displaced persons in Yemen, and a further \$22,215,000 to support an estimated 670,000 Rohingya refugees in Cox's Bazar in Bangladesh <sup>2</sup> .
		On 25 <sup>th</sup> April, the global launch of UNHCR's first annual Zakat report, in addition to the Refugee Zakat Fund, took place in the UAE and was well-received with substantial press coverage regionally and internationally <sup>3</sup> .
May 2019		The Refugee Zakat Fund was formally extended to Bangladesh, where UNHCR is already providing substantial assistance to refugees, primarily to support Rohingya Muslim refugees displaced due to conflict from Rakhine State in Myanmar <sup>4</sup> .  Additionally, the Fund is now also distributing Zakat to refugees and displaced persons in Mauritania, Iraq and Egypt.
		UNHCR partnered with satellite TV channel Iqraa to raise awareness of the global refugee crisis, and to highlight the importance of giving Zakat to refugees <sup>5</sup> .
		UNHCR launched a Sadaqah Jariyah initiative to raise much needed funds to meet varied needs of refugees and displaced persons spanning water, shelter, education and livelihoods. The initiative will span Bangladesh, Mauritania, South Sudan and Somalia. It was launched online end of June and will be announced in August 2019.
June 2019		Supported by a robust launch and strong publicity throughout Ramadan, the Refugee Zakat Fund raised \$2.2 million during the Holy month of Ramadan, and \$38.1 million by the end of June, already surpassing the minimum target for 2019 of \$26 million set in the launch report.

2 "Sheikh Thani Bin Abdullah Al Thani makes a landmark \$35 million donation to UNHCR". UNHCR. 2019. <https://www.unhcr.org/news/press/2019/4/5cb5fe234/sheikh-thani-bin-abdullah-bin-thani-al-thani-landmark-35m-donation-displaced.html>  
 3 "UN Adds Rohingya Refugees to Refugee Zakat Fund Beneficiaries." Gulf News. May 28, 2019. <https://gulfnews.com/uae/un-adds-rohingya-refugees-to-refugee-zakat-fund-beneficiaries-1.64236433>.  
 4 "UNHCR Adds Rohingya Refugees to Refugee Zakat Fund Beneficiaries." Salaam Gateway. May 30, 2019. [https://www.salaamgateway.com/en/press-releases/unhcr\\_adds\\_rohingya\\_refugees\\_to\\_refugee\\_zakat\\_fund\\_beneficiaries-SALAAM30052019133740/](https://www.salaamgateway.com/en/press-releases/unhcr_adds_rohingya_refugees_to_refugee_zakat_fund_beneficiaries-SALAAM30052019133740/).  
 5 "UNHCR Partners with Iqraa TV to Show the World How Zakat Is Helping Refugees throughout the Holy Month of Ramadan." MENA Herald. May 15, 2019. <https://www.menaherald.com/en/business/society/unhcr-partners-iqraa-tv-show-world-how-zakat-helping-refugees-throughout-holy-month>.

### 4.4 Plans going forward

**\$44** million or more in donations and distributions by end of 2019

Having already exceeded the original target of \$26 million for 2019, the Refugee Zakat Fund is gearing up to showcase the impact it can have by the end of 2019, leveraging its expanded footprint in Bangladesh, enhancing its contribution to linking Zakat with refugees via partnerships and thought leadership, and expanding the scope of Islamic Philanthropy to include Sadaqah and Waqf.

As set out in the launch report, the Refugee Zakat Fund has three broad strategic objectives that will guide its development over the next five years. Against those objectives, it seeks to make measurable progress in 2019.

Figure: Strategic priorities for 2019

 <b>1</b> Expand the Fund's scale and footprint 	Following the Fund's expansion into Bangladesh, UNHCR seeks to substantially scale its support for refugee families through Zakat Funds, aiming to raise over \$44 million by 2019 to support its existing programs through crucial cash assistance and other humanitarian programmes in various locations, including Bangladesh.  Zakat assistance through the Fund can provide vital assistance to up to 120,000 households in Bangladesh that are in need of basic amenities such as Liquefied Petroleum Gas, with beneficiaries including members of the local host community <sup>6</sup> .  For the first time, Zakat was raised online by UNHCR offices in Canada, UK, and South East Asia.
 <b>2</b> Lead the conversation on Zakat for refugees 	The Fund seeks to capitalize on tremendous momentum and broad media coverage through pursuing new partnerships. Robust partnerships that were established including UNHCR being selected as the Strategic Philanthropy Partner of the Responsible Finance and Investment (RFI) Summit, held in Abu Dhabi, and co-organizing a roundtable on Strategic Islamic Philanthropy with Dubai Islamic Bank and RFI prior to the Summit. <sup>7</sup>  UNHCR seeks to capitalize on its success through establishing further partnerships with leading institutions spanning Islamic Finance, Halal Industry, and Government; producing new authoritative content through several reports, and participating in high-impact events globally.
 <b>3</b> Broaden the scope to Islamic Philanthropy 	UNHCR will continue to showcase the impact of Zakat funds which are being received on regular basis, and prioritize the expansion of its Sadaqah Jariyah appeal, to supplement the increasing impact of the Refugee Zakat Fund.  Additionally, UNHCR will explore pilot initiatives under the area of Waqf.

6 "UNHCR Adds Rohingya Refugees to Refugee Zakat Fund Beneficiaries." Salaam Gateway. May 30, 2019. [https://www.salaamgateway.com/en/press-releases/unhcr\\_adds\\_rohingya\\_refugees\\_to\\_refugee\\_zakat\\_fund\\_beneficiaries-SALAAM30052019133740/](https://www.salaamgateway.com/en/press-releases/unhcr_adds_rohingya_refugees_to_refugee_zakat_fund_beneficiaries-SALAAM30052019133740/).  
 7 "RFI Foundation partners with Dubai Islamic Bank and UNHCR." Middle East Business Magazine & News. April 9, 2019. <https://middleeast-business.com/rfi-foundation-partners-with-dubai-islamic-bank-and-unhcr/>

# 5. Refugee Journey

## The journey of Um Joudi and her two daughters, Syrian refugees rebuilding their lives in Jordan



**Displaced from the conflict in Syria.** Um Joudi, 27 years old, and her two daughters, Joudi and Lojayn, fled Syria, seeking shelter in Jordan, after the death of the girls' father.



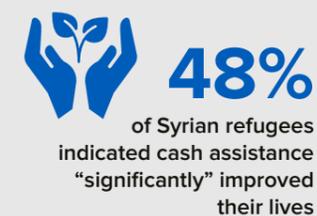
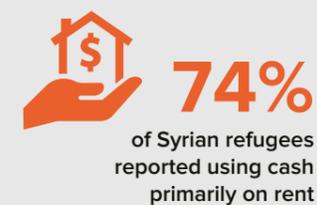
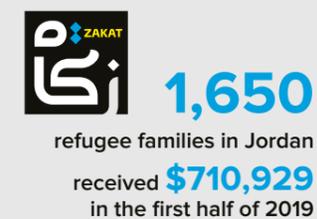
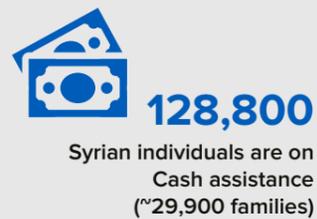
**Zakat funds have enabled the family to rebuild their lives.** Um Joudi and her family have been recipients of a monthly cash allowance, supporting them with rent, food, education and other living expenses.



**The family have found peace and the courage to pursue their dreams.** Joudi was given the opportunity to pursue her dream of becoming an anchor, presenting live on Jordan TV with the support of UNHCR.



## Jordan's Syrian refugees in numbers



## The journey of Rokeya Begum, a Rohingya refugee from Myanmar rebuilding her life in Bangladesh



**Displaced from the conflict in Rakhine State in Myanmar.** Rokeya Begum is a Rohingya refugee mother that lives in Nayapara refugee site in Bangladesh.

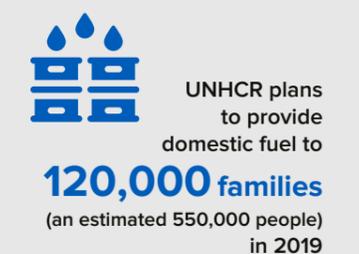
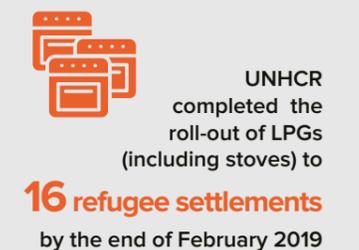
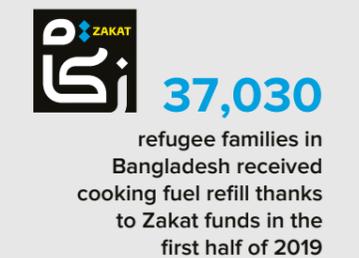


**Deforestation has been a major challenge in the Rohingya refugee settlements.** To address, UNHCR has begun a full-scale program to distribute energy-efficient LPG (Liquid Petroleum Gas) cooking stoves and cylinders, aiming to reach all Rohingya refugee households in its operational areas and some of the poorest host communities living nearby.



**UNHCR's efforts have made an important difference to Rokeya.** "I used to spend a whole day to go to the forest and collect firewood, my children had a cough from the fire inside our shelter, now the stove has changed my life, no more going to the forest and my children don't have a cough", Rokeya said.

## Rohingya refugees in numbers



# 6. Innovation spotlight: Beyond cash and card - The power of mobility in donating and distributing Zakat

## 6.1 Introduction

The drivers of technological innovation that have highly impacted the payment ecosystem also continue to influence charitable giving. The Zakat sector, driven by tech-centric Muslim millennials, is also expected to adopt similar innovative trends, with UNHCR's mobile wallet program in Iraq a model of how to distribute funds to displaced persons.

## 6.2 The importance of mobile and smart phones in collecting and distributing charitable funds

**25%**  
of charities  
accept donations  
via mobile apps.

Mobile app usage continues to gain momentum as 90% of mobile time is spent on apps. Mobile apps are expected to yield revenues worth USD 189<sup>1</sup> billion by 2020. Charitable organizations must leverage technology to grow presence, as only 25% of charities currently accept donations via their mobile applications.<sup>2</sup>

### The overall prevalence of mobility

It is estimated that nearly 2.1 billion consumers<sup>3</sup> across the globe are expected to use mobile wallets for payments or transfers by 2019, almost 30% higher than the 1.6 billion consumers by the end of 2017. The global mobile wallet market was valued at nearly USD \$594 billion in 2016 and is expected to touch USD \$3,142.17 billion by 2022<sup>4</sup>.

### Mobile applications for social good

Mobile usage continues to grow, hence charities should deploy technology to enhance their presence and engagement. Mobile applications hold immense potential with expected revenues of USD 189<sup>5</sup> billion by 2020. Mobile apps will assist non-profits in their customer acquisition strategies as well as optimize customer experiences. Currently, only 25%<sup>6</sup> of charities accept donations through their mobile applications.

According to research, millennials have reduced spending vis-à-vis former generations, prefer brands that uphold social and corporate responsibility, and opt for digital payment methods, which extend to charitable giving too. A MoneyMailme survey suggests that 72% of 18- to 25-year-olds would donate to charitable causes via a mobile application, given the option. 62% would feel frustrated if they were made to donate through offline channels such as having to call an operator to make payment<sup>7</sup>.

1 Blair, Ian. "Mobile App Download and Usage Statistics (2019)." BuildFire. February 19, 2019. <https://buildfire.com/app-statistics/>.  
2 Gilliland, Nikki. "Why Apps Are a Key Part of Mobile Strategies for Charities." EConsultancy. January 8, 2018. <https://econsultancy.com/why-apps-are-a-key-part-of-mobile-strategy-for-charities/>.  
3 O'Shea, Dan. "2.1B consumers will use mobile payments by 2019." RetailDive. April 4, 2018. <https://www.retaildive.com/news/21b-consumers-will-use-mobile-payments-by-2019/520652/>.  
4 "Mobile Wallet Market." Report. Zion Market Research. <https://www.zionmarketresearch.com/sample/mobile-wallet-market>.  
5 Blair, Ian. "Mobile App Download and Usage Statistics (2019)." BuildFire. February 19, 2019. <https://buildfire.com/app-statistics/>.  
6 Gilliland, Nikki. "Why Apps Are a Key Part of Mobile Strategies for Charities." EConsultancy. January 8, 2018. <https://econsultancy.com/why-apps-are-a-key-part-of-mobile-strategy-for-charities/>.  
7 Ibid.

Examples of app-based donations

Company	Main idea	Key value proposition	Other notable attributes or accomplishments
	<b>Digital wallet donations:</b> Users are encouraged to make a daily donation of USD \$1 <sup>8</sup> or more.	No transaction fee is charged as the entire donation goes to non-profits. Users receive photos and updates of the impact of their donations	Launched in 2012, the app was subsequently revamped in 2018, and is part of Google's donations tool, a suite of services supporting non-profit organizations. Limited user data is publicized on the app itself. <sup>9</sup>
	<b>Automated micro-donations:</b> The app is linked to the user's credit/debit card and rounds off purchases to the nearest dollar, donating the change to a charity of choice <sup>10</sup> .	The users can set a weekly capping figure to turn off roundups after a certain amount <sup>11</sup> . The app is cost free for donors while non-profits are charged a fee.	Founded in 2016, it helps users track donations and impact. There have been over 8,000 downloads of GiveTide's app, with 590 monthly active users. <sup>12</sup>
	<b>Micro-donations:</b> The app enables users to engage in challenges with friends or against themselves to encourage donations to charities.	The app turns a friendly competition into a charitable donation. Budge charges 5% <sup>14</sup> of the gift for operational costs.	Budge was founded in 2011 and has secured \$1 million in funding. <sup>15</sup>

Examples of app-based donations from the OIC

Company	Main idea	Key value proposition	Other notable attributes or accomplishments
	<b>Digital wallet donations:</b> The ride-hailing app launched its UNHCR car option to encourage passengers to support refugees in the MENA region.	Passengers in the UAE could select the UNHCR car option and donate AED 3 <sup>16</sup> (USD \$0.82), while users in Jordan enter the 'UNHCR' promo code to donate 5% <sup>17</sup> of their trip revenues. The app has also committed to hire 200 refugees as drivers. <sup>18</sup>	This initiative helped collect over \$340,000 <sup>19</sup> and is used to assist refugees and displaced people.
	<b>Lifestyle App:</b> Integrated app that includes prayer times and Qibla direction.	The app, launched by mobile network operator Robi Axiata Ltd, allows its customers to calculate and digitally donate their Zakat as well as Sadaqah money to a list of charities <sup>20</sup> .	Users donating Zakat or Sadaqah via the app will not be charged <sup>21</sup> .

8 Esquivel, Meredith. "11 Fundraising Apps to Know in 2019." Whole Whale. <https://www.wholewhale.com/tips/fundraising-apps/>.  
9 "Google donation tools." Google. 2019. <https://www.google.com/nonprofits/offers/google-donation-tools.html>.  
10 Fritz, Joanne. "6 Smartphone Apps That Make Charitable Giving More Fun." The Balance. February 28, 2019. <https://www.thebalancesmb.com/give-to-charity-every-day-with-these-6-smartphone-apps-3861763>.  
11 "FAQ." GiveTide. 2018. <https://www.givetide.com/faq>.  
12 "GiveTide." Microventures. 2019. <https://app.microventures.com/crowdfunding/givetide>.  
13 "Terms." The Budge. 2017. <http://www.thebudge.com/terms.html>.  
14 Fritz, Joanne. "6 Smartphone Apps That Make Charitable Giving More Fun." The Balance. February 28, 2019. <https://www.thebalancesmb.com/give-to-charity-every-day-with-these-6-smartphone-apps-3861763>.  
15 "Budge." Crunchbase, 2019. <https://www.crunchbase.com/organization/dabbl>.  
16 Zakaria, Sherouk. "How an extra Dh3 in your taxi fare helped refugees." Khaleej Times. January 21, 2019. <https://www.khaleejtimes.com/nation/dubai/how-an-extra-dh3-in-your-taxi-fare-helped-refugees-syrian>.  
17 Ibid.  
18 Aldroubi, Mina. "Careem to hire 200 refugees over next five years." The National. September 25, 2018. <https://www.thenational.ae/uae/transport/careem-to-hire-200-refugees-over-next-five-years-1773959>.  
19 Zakaria, Sherouk. "How an extra Dh3 in your taxi fare helped refugees." Khaleej Times. January 21, 2019. <https://www.khaleejtimes.com/nation/dubai/how-an-extra-dh3-in-your-taxi-fare-helped-refugees-syrian>.  
20 "Zakat donation app launched." Daily Sun. May 7, 2019. <https://www.daily-sun.com/post/390568/2019/05/07/Zakat-donation-app-launched>.  
21 Ibid.

Examples of other innovating donation-based solutions

Company	Main idea	Key value proposition	Other notable attributes or accomplishments
  (BCF)	Non-profit BCF introduced its blockchain-backed donation portal to help end poverty and inequality, fostering sustainable development <sup>22</sup> .	BCF, initiated by Binance, a global cryptocurrency exchange, is using blockchain technology hence making the donation process transparent and reliable.  The “Lunch for Children Program” in Uganda is an example of the programs impact, whereby two meals are provided daily for school children in Kampala until the end of 2019 <sup>23</sup> .	The project has raised over \$5 million in funding to date. <sup>24</sup>
	Amazon’s voice assistant app has an added feature that allows users to donate charity.	Users can donate between USD \$5-5,000 <sup>25</sup> using Amazon Pay via voice instructions to a charity of their choice. Users can create a four-digit voice-shopping code to avoid accidental transactions <sup>26</sup> .	Amazon has donated over \$100 million to charities since 2013, enabling Alexa to accept donations in 2018. <sup>27</sup>

The Role of Mobile Money in Financial Inclusion

In 2018, 272<sup>28</sup> mobile money systems, whereby mobile devices are used to transmit payments, were live in 90 countries with 866 million registered mobile money accounts. The World Bank suggested that 1.7 billion adults were unbanked, with 66%<sup>29</sup> of them owning a mobile device. The number of global mobile phone subscriptions amounted to 7.9 billion<sup>30</sup>, as of the third quarter of 2018. Mobile money, underpinned by widespread usage of mobile phones, continues to effectively integrate displaced people within the financial landscape.

22 “Blockchain Donation Portal Launched By Binance’s Charity Foundation.” WCRYNews.com. October 25th, 2018. <http://wcrynews.com/crypto/blockchain-donation-portal-launched-by-binance-charity-foundation/>.  
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 24 “Blockchain charity foundation.” Crunchbase. 2019. <https://www.crunchbase.com/organization/blockchain-charity-foundation#section-overview>  
 25 Price, Emily. “How to Donate to Charity Using Alexa.” Life Hacker. April 3, 2018. <https://lifelifehacker.com/how-to-donate-to-charity-using-alexa-1824265044>.  
 26 Rubin, Ben F. “Alexa now lets you donate to nearly 50 nonprofits.” CNET. April 2, 2018. <https://www.cnet.com/news/you-can-now-donate-to-over-40-different-charities-using-alexa/>.  
 27 “Amazon hits \$100m in donations to more than 1 million charities in five years.” Geekwire. October 29th, 2019.  
 28 “State of the Industry Report on Mobile Money.” Report. GSMA. 2019. <https://www.gsma.com/r/wp-content/uploads/2019/05/GSMA-State-of-the-Industry-Report-on-Mobile-Money-2018-1.pdf>.  
 29 “Mobile Money Services: Banking The Unbanked.” Medium.com. May 2019. <https://medium.com/@BRAVOPay/mobile-money-services-banking-the-unbanked-a92b64180102>.  
 30 “Mobile subscriptions worldwide Q3 2018.” Report. Ericsson. <https://www.ericsson.com/en/mobility-report/reports/november-2018/mobile-subscriptions-worldwide-q3-2018>.

Examples of funds distributed & managed via mobile devices

Company	Main idea	Key value proposition	Other notable attributes or accomplishments
 	<b>Benefit Management:</b> The New York-based startup introduced Fresh EBT, a free app for low-income Americans that is used to purchase essential food and medical items. The app stores credits provided by the U.S. Federal government to low income families under the Supplemental Nutrition Assistance Program <sup>31</sup> .	The app allows aid recipients to check and manage their benefits on their mobile devices as well as stay abreast of current promotions, coupons and job postings. The free app is available in all 50 states and earns from third parties such as grocery stores and employers <sup>32</sup> .	1.5 million <sup>33</sup> Americans use the app each month.
 	<b>Mobile Money Transfer:</b> Kenya’s mobile money transfer service allows users to send money to others, pay utility bills, etc. <sup>34</sup> .	M-Pesa works over the user’s phone account. To send money, the sender’s phone will generate a “quick code” to transmit the request. The money is remitted upon confirmation <sup>35</sup> .	6 billion <sup>36</sup> transactions were processed over 2016. 2% <sup>37</sup> of Kenyan households stepped out of extreme poverty through mobile money services.  M-Pesa services are available in ten countries: Albania, Democratic Republic of Congo, Egypt, Ghana, India, Kenya, Lesotho, Mozambique, Romania and Tanzania <sup>38</sup> .
	<b>Refugee Employment Opportunities:</b> REFUNITE, a non-profit tech company, is trialing its app LevelApp in Uganda, offering a source of income to refugees, helping them reconstruct their lives torn by conflict. The trial project covers 5,000 <sup>39</sup> refugees.	The app provide tasks to users to complete in return for payments. Users receive micro-payments via mobile wallets <sup>40</sup> .	Refugees earning USD \$1.25 <sup>41</sup> a day performing basic jobs could earn up to USD \$20 <sup>42</sup> a day performing tasks on their phone, such as categorizing different pictures to assist the apps machine learning algorithms. The company plans to expand to 25,000 refugees within two years. <sup>43</sup>

31 Gmelich, Krista. “Alarmed Aid Recipients Turn to App After Shutdown Spurs Windfall.” Bloomberg. January 24, 2019. <https://www.bloomberg.com/news/articles/2019-01-24/alarmed-aid-recipients-turn-to-app-after-shutdown-spurs-windfall>.  
 32 Ibid.  
 33 “Propel Notches \$12.8M In Series A Funding.” PYMNTS.com. December 14, 2018. <https://www.pymnts.com/news/investment-tracker/2018/propel-series-a-funding-ebt-budgeting-finance/>.  
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 35 Ibid.  
 36 Monks, Kieron. “M-Pesa: Kenya’s mobile money success story turns 10.” CNN. February 24, 2017. <https://edition.cnn.com/2017/02/21/africa/mpesa-10th-anniversary/index.html>.  
 37 Ibid.  
 38 “M-PESA: The world’s most successful money transfer service.” Vodafone. <https://www.vodafone.com/content/index/what/m-pesa.html#>.  
 39 Batha, Emma. “This mobile app is paying refugees to train artificial intelligence.” Weforum. November 20, 2018. <https://www.weforum.org/agenda/2018/11/mobile-app-pays-refugees-to-boost-artificial-intelligence>.  
 40 Afia, Rosie. “Refunite’s LevelApp: Supporting refugees in Uganda.” GSMA. February 18, 2018. <https://www.gsma.com/mobilefordevelopment/uncategorized/refunites-levelapp-supporting-refugees-in-uganda/>.  
 41 Batha, Emma. “This mobile app is paying refugees to train artificial intelligence.” Weforum. November 20, 2018. <https://www.weforum.org/agenda/2018/11/mobile-app-pays-refugees-to-boost-artificial-intelligence>.  
 42 Ibid.  
 43 Afia, Rosie. “Refunite’s LevelApp: Supporting refugees in Uganda.” GSMA. February 18, 2018. <https://www.gsma.com/mobilefordevelopment/uncategorized/refunites-levelapp-supporting-refugees-in-uganda/>.

### 6.3 Insights into the use of mobile wallets in Iraq

As of December 2018, the population of concern to UNHCR stood at 7.32<sup>44</sup> million, covering refugees, IDPs, IDP returnees and stateless people. Today, some 1.6 million Iraqis remain internally displaced and many of the 4.2 million returnees across the country keep facing constrained access to basic services and security while contending with destroyed properties and lack of livelihood opportunities. An estimated 89%<sup>45</sup> of the population does not have access to formal financial products.

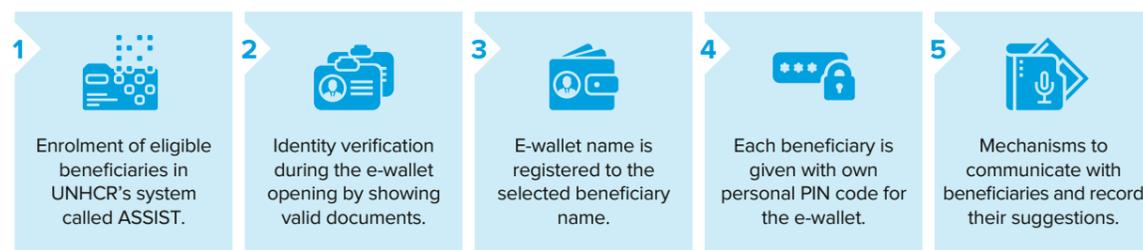
UNHCR's primary activities have included the protection of refugees, IDPs and IDP returns; camp coordination and camp management as well as provision of shelter/non-food-items<sup>46</sup>.

UNHCR has made a strategic shift from providing in-kind relief to cash assistance to refugees and IDPs as cash assistance has proven to be amongst the most cost-effective and dignified forms of assistance. UNHCR has relied mainly on mobile money transfers in delivering cash to beneficiaries since 2016, as banking systems and other financial service providers in Iraq are limited and do not operate in remote areas. UNHCR has partnered with two telecommunications companies in Iraq to implement the cash assistance program.

In 2018; 39,500 refugee-families (158,000 individuals) and 28,150 IDP families (168,900 individual) received multipurpose cash assistance. Winter support was also given in a form of cash assistance through mobile money and has reached 36,370 refugee-families (181,850 individuals) and 73,615 IDP families (441,690 individuals).

Eligible families register for mobile wallets with mobile money companies depending on which SIM card they use and in case they do not have a SIM card, one is provided for them. Eligible families are required to come and present their documents at designated mobile money agents in order to register their e-wallets. They were also provided with a short training on how to use the mobile e-wallets and how to seek further help from UNHCR and partners through designated hotlines.

To ensure that assistance reaches the intended beneficiaries and serves its purpose, UNHCR has put in place a robust system of financial control, verification and monitoring. These include:



During the distribution stage, UNHCR and its partners monitor the cash distribution process to ensure governance by confirming that intended beneficiaries receive the correct amounts of cash assistance.

After the distribution of assistance, UNHCR partner, REACH, conducts post distribution monitoring (PDM) through focus group discussions and telephone interviews with representative sample of beneficiaries. According to the post distribution monitoring conducted by UNHCR in Iraq in 2018, the largest proportion of cash distributed to IDP families is spent on rent, followed by food, debt repayment and healthcare.

<sup>44</sup> "Fact Sheet: Iraq December 2018" UNHCR. <https://reliefweb.int/sites/reliefweb.int/files/resources/UNHCR%20Iraq%20Factsheet%20December%202018.pdf>

<sup>45</sup> "Refugees and Identity." GSMA. 2017. <https://www.gsmainelligence.com/research/?file=1cb984aae8f279c617fb30b151bad5a8&download>.

<sup>46</sup> "Fact Sheet: Iraq December 2018" UNHCR. <https://reliefweb.int/sites/reliefweb.int/files/resources/UNHCR%20Iraq%20Factsheet%20December%202018.pdf>

## 7. Report purpose and methodology

### 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 Zakat industry going forward in addressing the needs of displaced persons, with the following objectives:

- a) Highlight the core accomplishments of UNHCR's Zakat Fund across Jordan, Lebanon, Iraq, Yemen, Mauritania, and Egypt, and its expansion into Bangladesh
- b) Provide an updated view of the Fund's priorities for the remainder of 2019
- c) Showcase important trends in broader philanthropy that could inform how Zakat 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 20 sources were used in the production of this report, including but not limited to Pew Research; Thomson Reuters and UNHCR.

#### 2) Primary research

In producing this report, the DinarStandard team conducted in-depth interviews with UNHCR's Islamic Philanthropy team, and conducted featured interviews with donors and institutions which have been included within this report.

## 8. Acknowledgements

Produced by:



UNHCR, the UN Refugee Agency, leads 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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## 9. Glossary

Term	Definition
<b>Halal</b>	The word 'Halal' literally means permissible in Arabic and in translation it is also used as 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>OIC</b>	The Organisation of Islamic Cooperation (OIC) is the second largest inter-governmental organisation after the United Nations, with membership of 57 states, covering four continents.
<b>Refugees</b>	A refugee is someone who has been forced to flee his or her country because of persecution, war or violence.
<b>Sadaqah Jariyah</b>	An act of continuous voluntary giving in Islam.
<b>Sharia</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 programme 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>Waqf</b>	A Muslim religious or charitable foundation created by an endowed trust fund.
<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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