

ISLAMIC PHILANTHROPY



◆◆ Contents

EXECUTIVE SUMMARY

REFUGEE ZAKAT FUND IMPACT 2019



1	Executive Summary	4
2	Visualizing Refugee Zakat Fund Impact	6
3	Refugee Zakat Fund Impact 2019	8
3.1	Overview	8
3.2	The Refugee Zakat Fund's Journey	8

REFUGEE LIVES: HOW THINGS HAVE CHANGED IN THE LAST YEAR



REPORT PURPOSE AND METHODOLOGY



4	Refugee Lives: How Things Have Changed in the Last Year	14
4.1	Overview	14
4.2	Global Overview of People of Concern	14
4.3	Overview of the Refugee Zakat Fund's Distribution Countries	17
4.4	Projected Budget Needs	19
5	Report Purpose and Methodology	20
6	Acknowledgements	22
7	Glossary	23

1. 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 fatwas¹. 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%² 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.

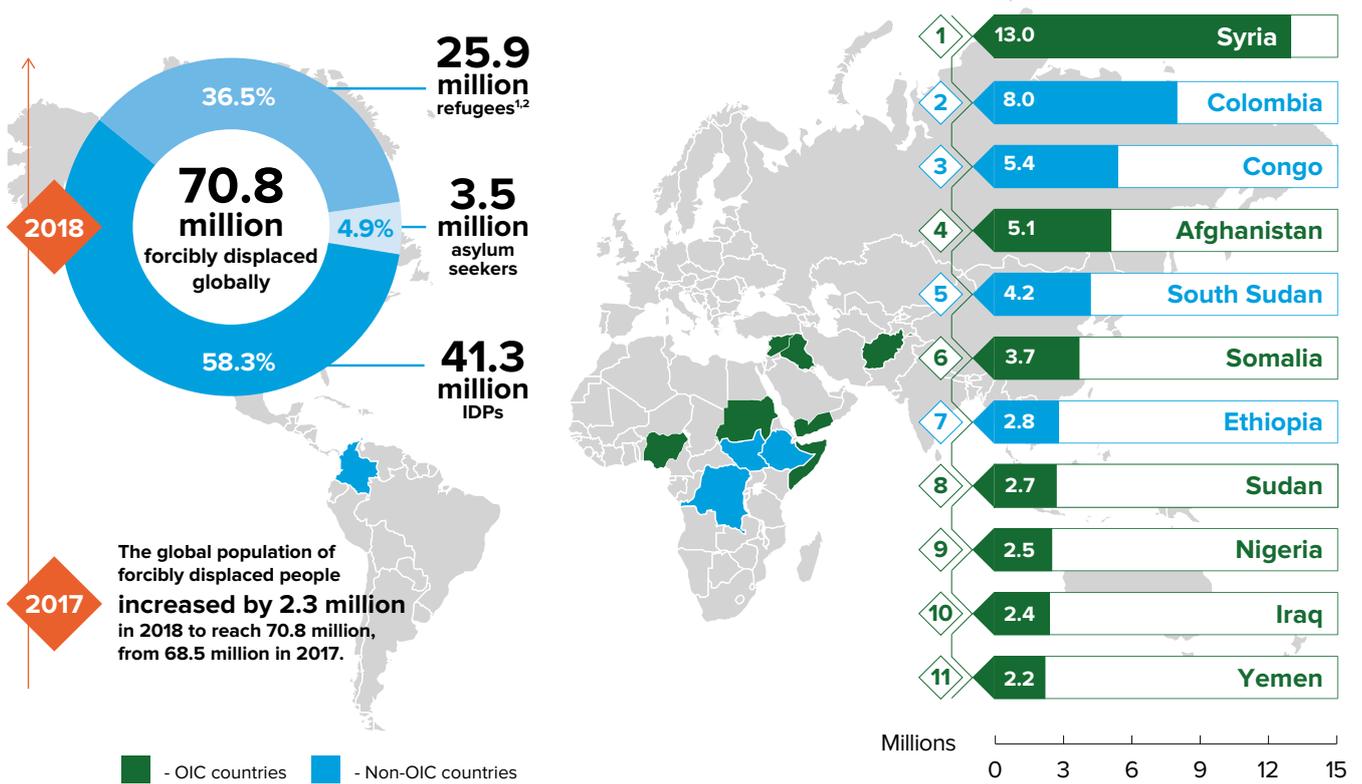
¹ UNHCR Zakat Collection And Distribution Report. (2019, May). Retrieved from UNHCR Zakat Fatwa: <https://unhcrzakatfatwa.com/>
² This percentage is based on 2019 expenditure estimates as of 16 March 2020. Exact expenditure figures will be provided in UNHCR's Global Report to be launched on World Refugee Day, 20 June 2020.



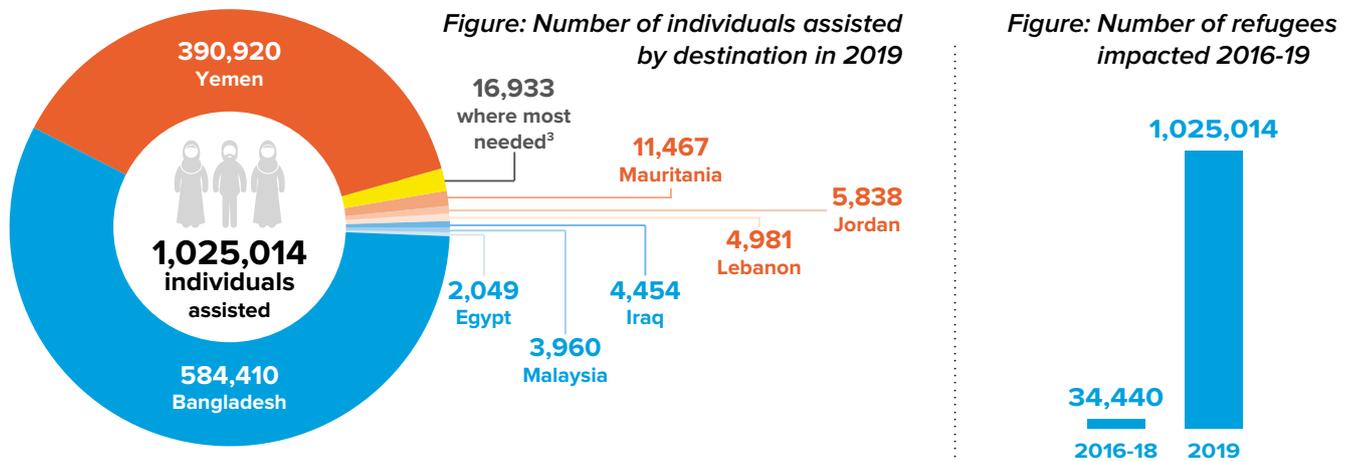
© UNHCR/Kamrul Hasan

2. 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



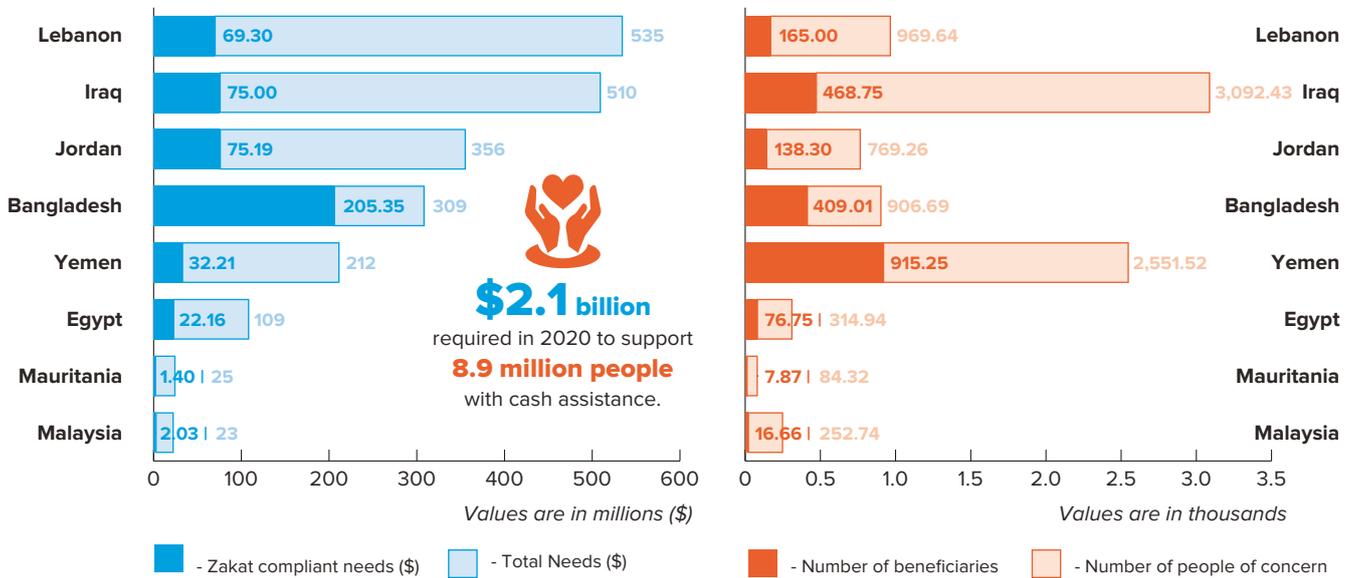
Major impact achieved in serving more than one million beneficiaries in eight countries during 2019 (with \$43.16 million funding) delivering Zakat-compliant cash and in-kind distribution including in hard-to-reach areas



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.

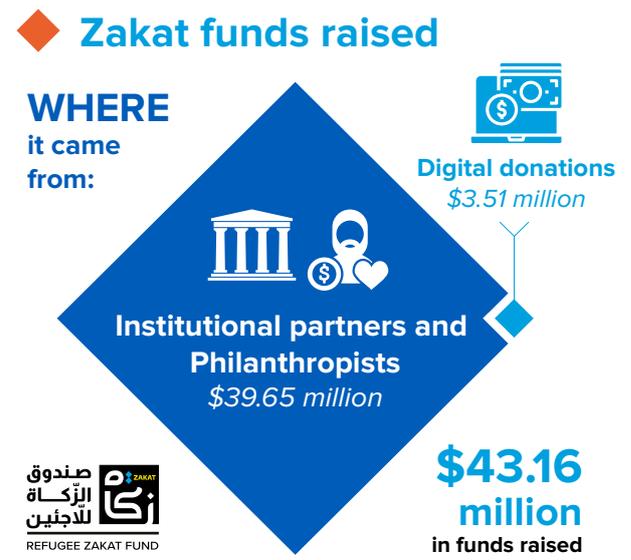
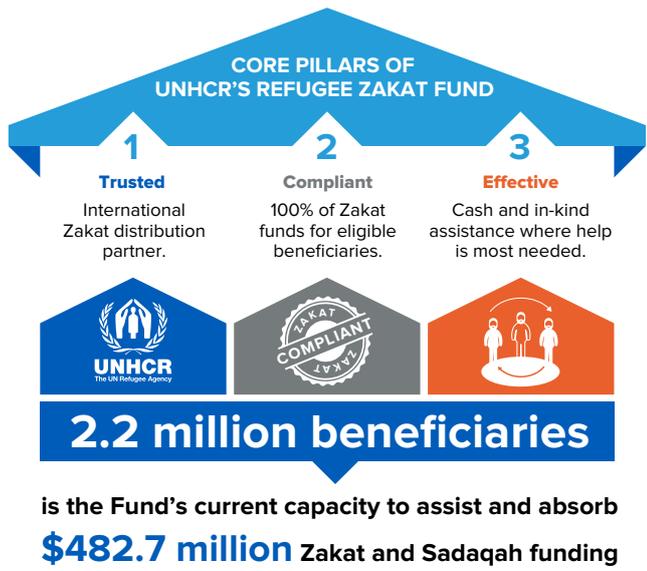
A significant gap remains in serving an estimated 8.9 million refugees and IDPs in the eight countries where Zakat distribution is currently active⁴

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



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

4 This is part of UNHCR's 2020 global budget of USD 8.66 billion

3. Refugee Zakat Fund Impact 2019

3.1 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.

3.2 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,¹ 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.²

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

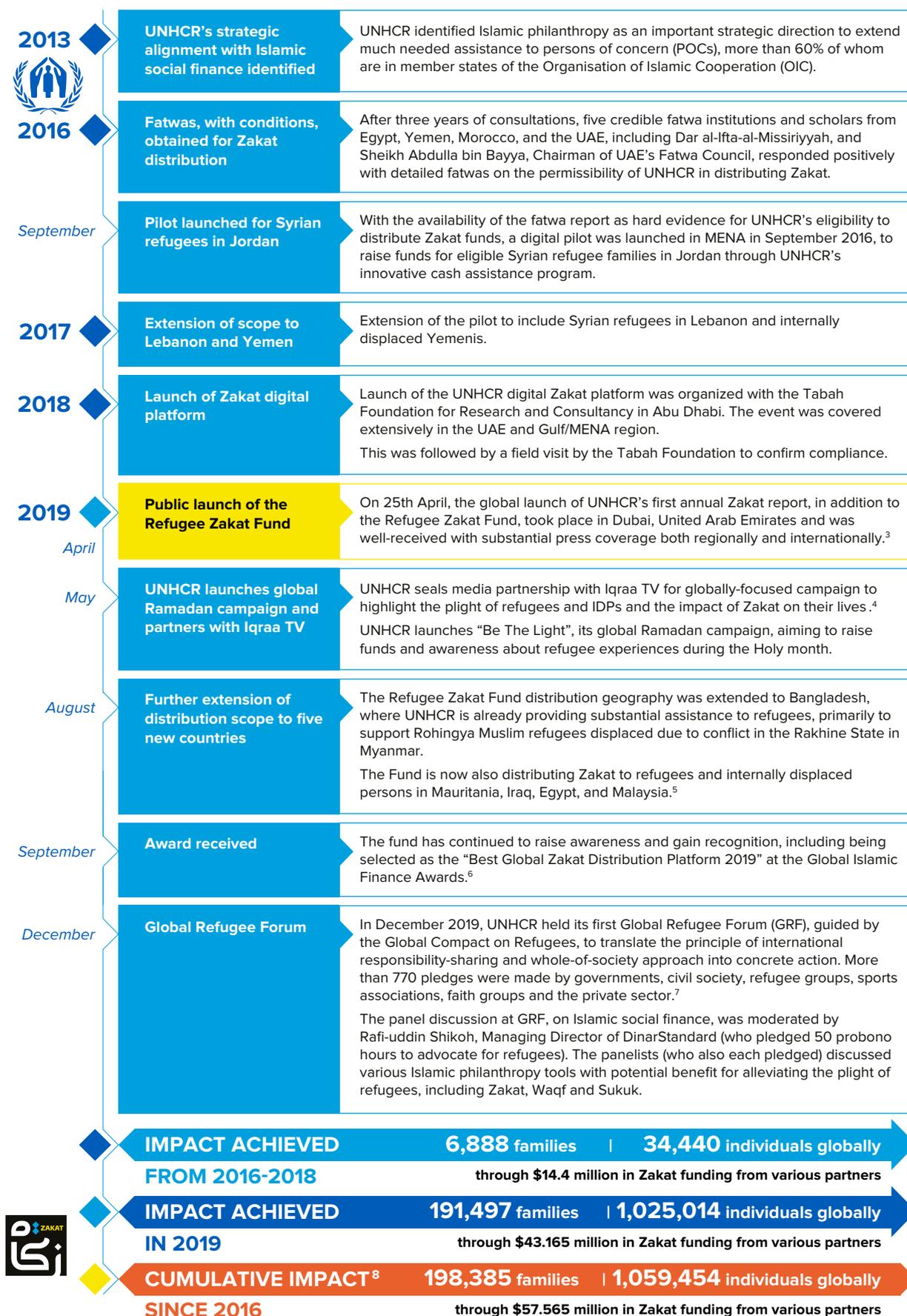


Figure: Zakat funds received by year
(Values in USD thousands)

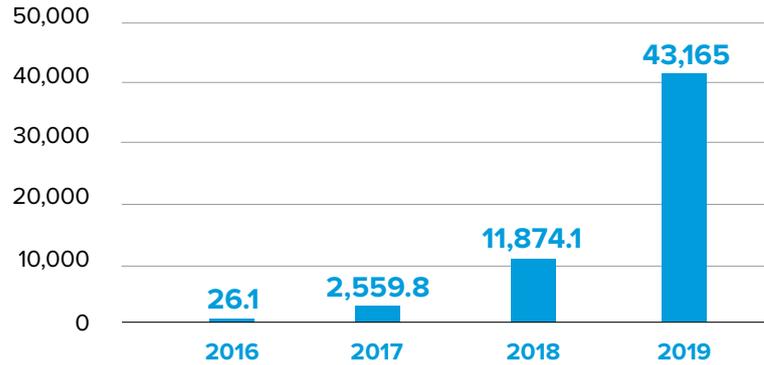


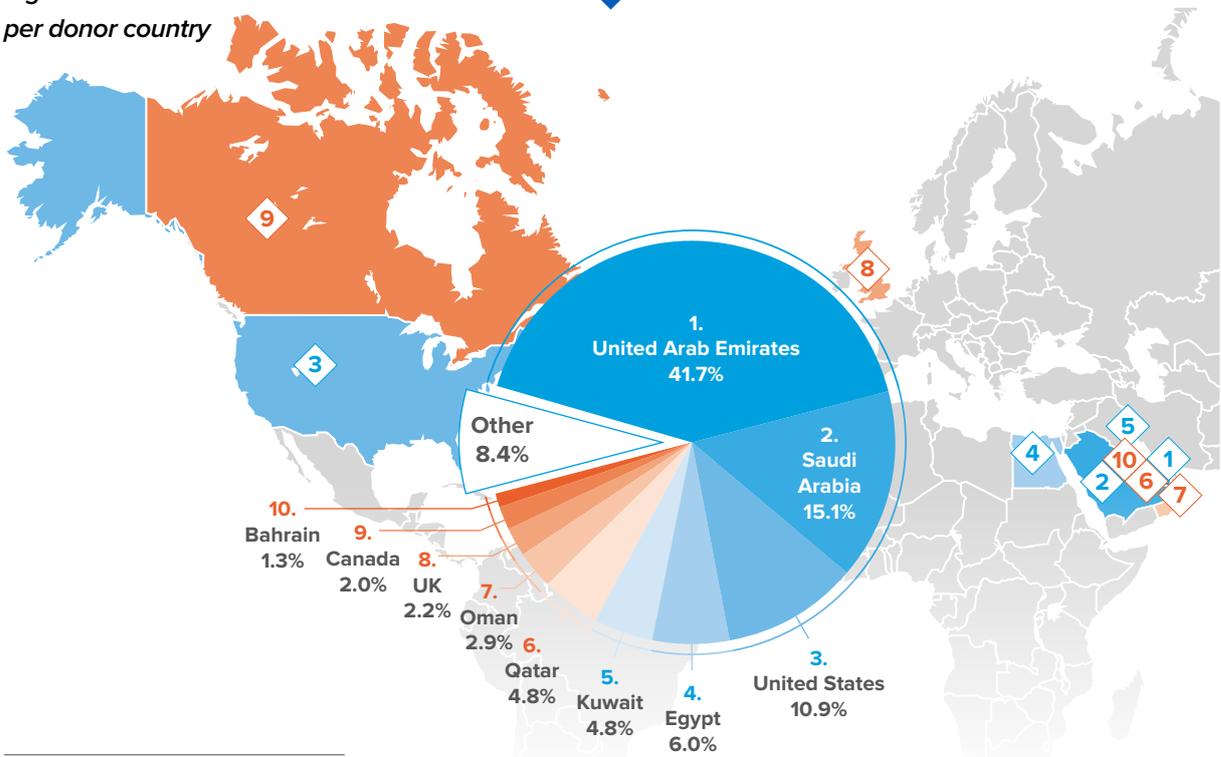
Figure: Zakat funds received by source

\$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

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>

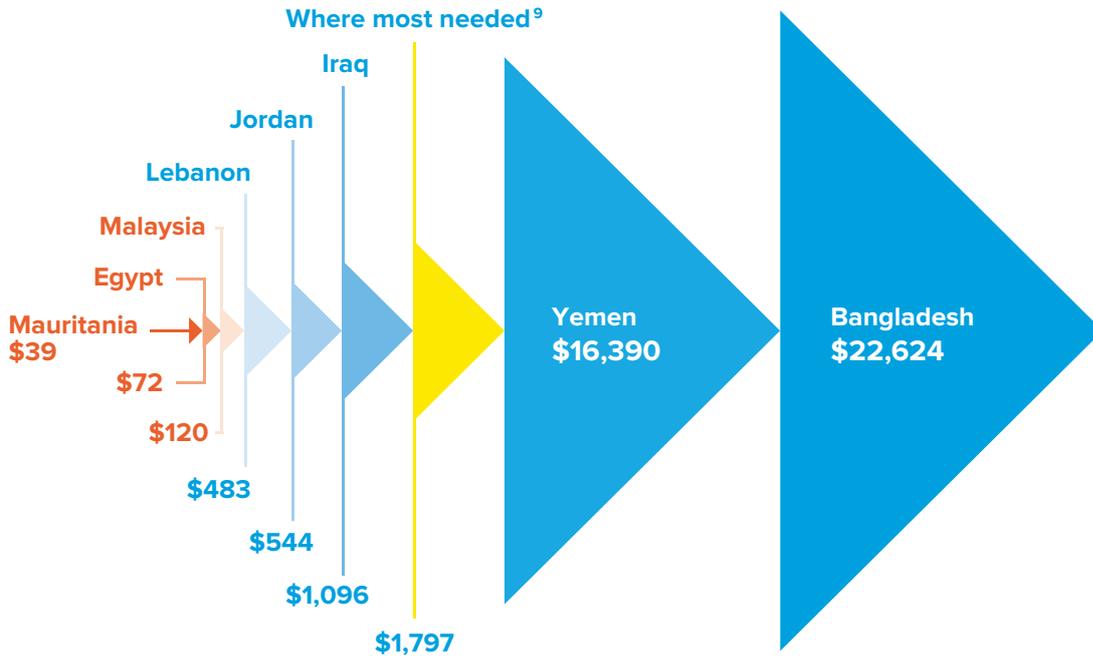
5 UNHCR expands donation possibilities through introduction of Sadaqah Jariyah to its global Refugee Zakat Fund. (2019, Aug). Retrieved from bizToday: <https://www.biztoday.news/2019/08/06/unhcr-expands-donation-possibilities-through-introduction-of-Sadaqah-jariyah-to-its-global-refugee-zakat-fund/>

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

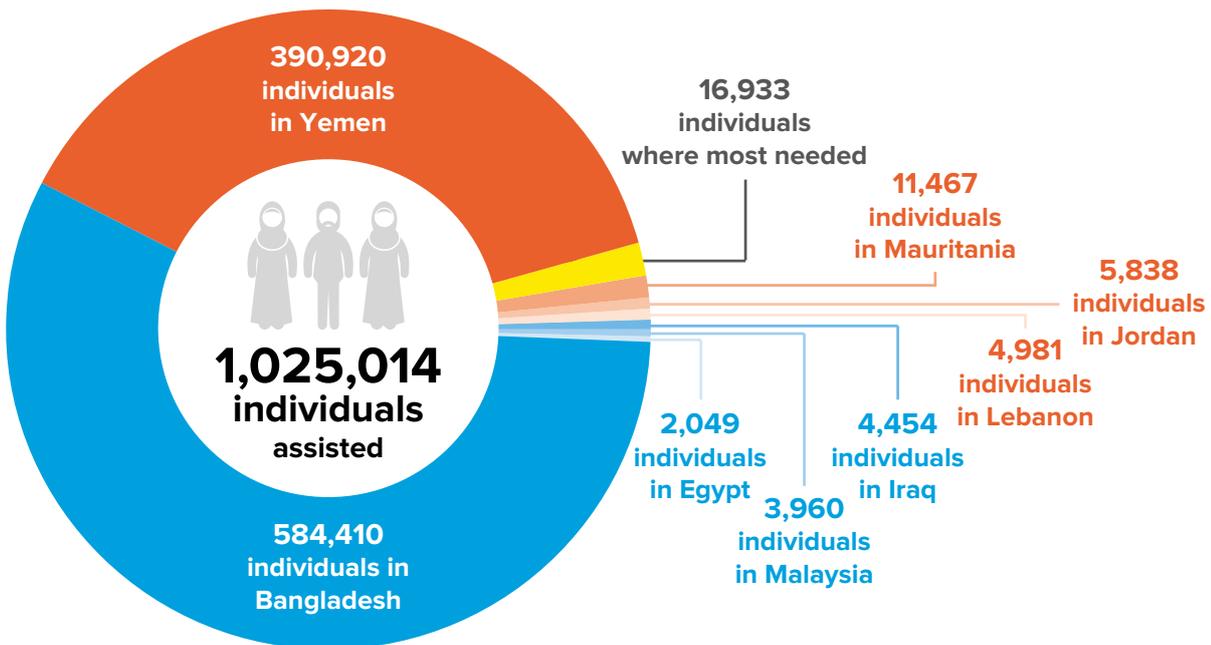
Figure: Zakat funds disbursed by destination (Values in USD thousands)



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



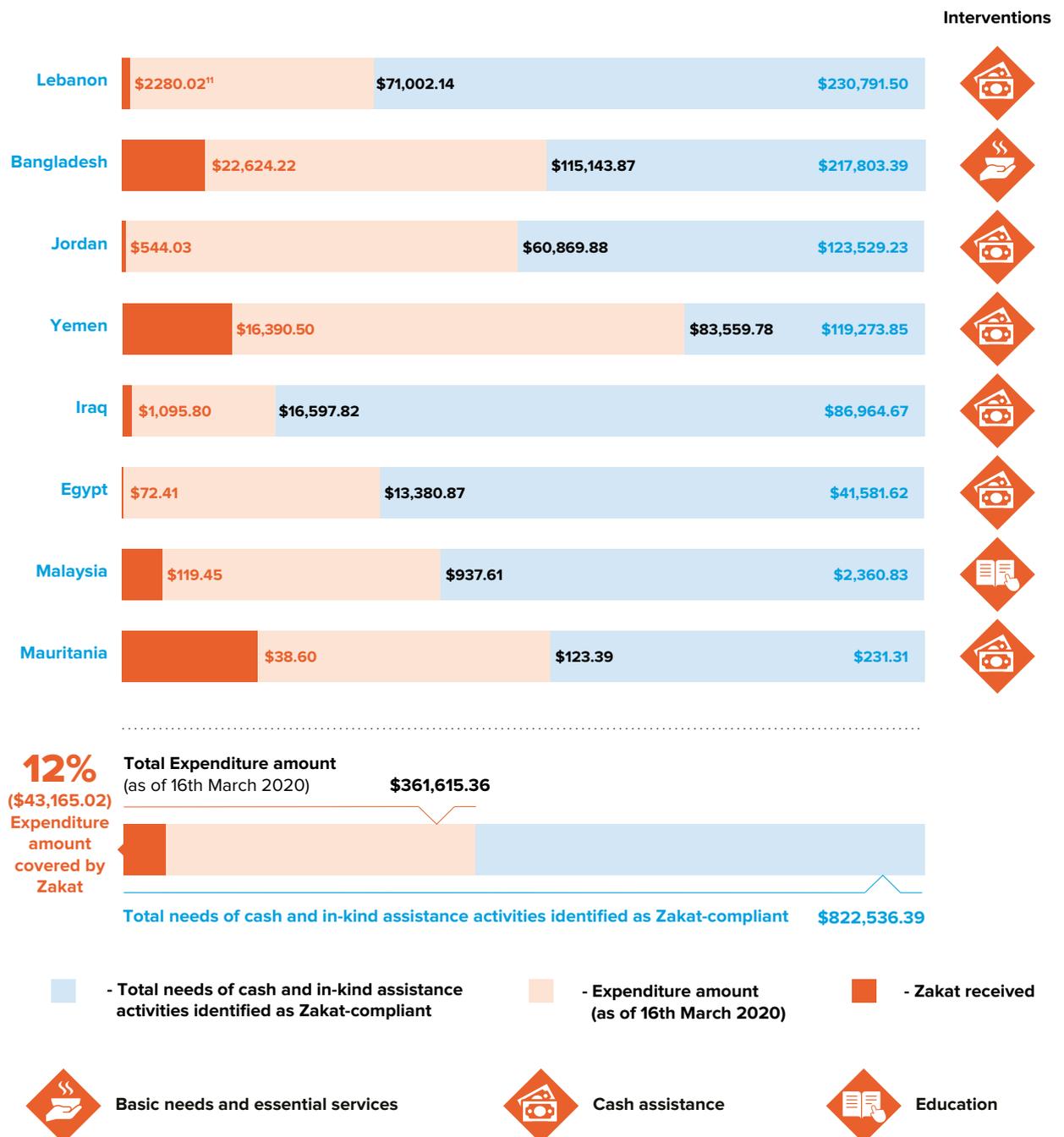
Source: UNHCR's Refugee Zakat Fund Internal data

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 million¹⁰ 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)



10 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.

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

4. Refugee Lives:

How Things Have Changed in the Last Year

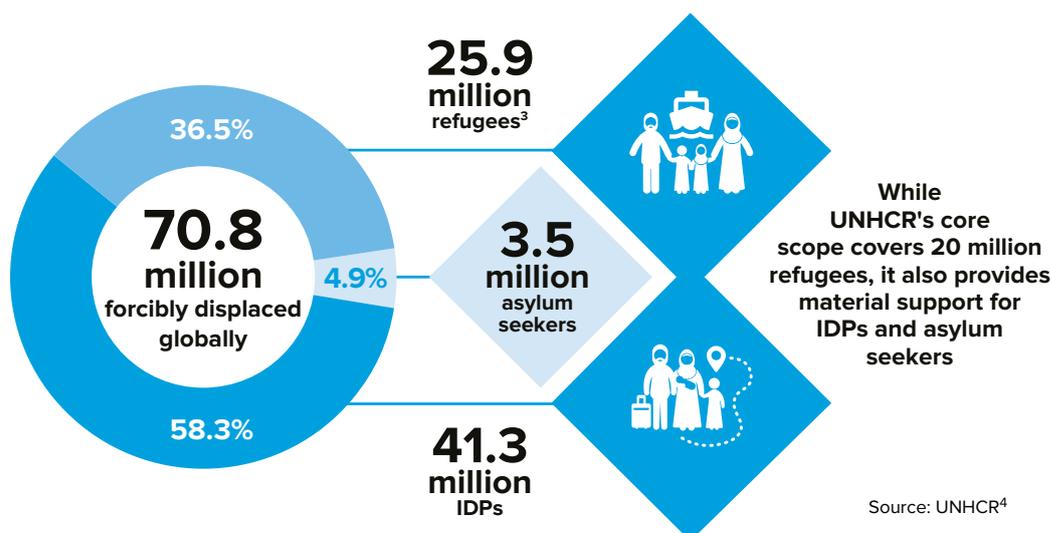
4.1 Overview

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

4.2 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 million² 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.⁵

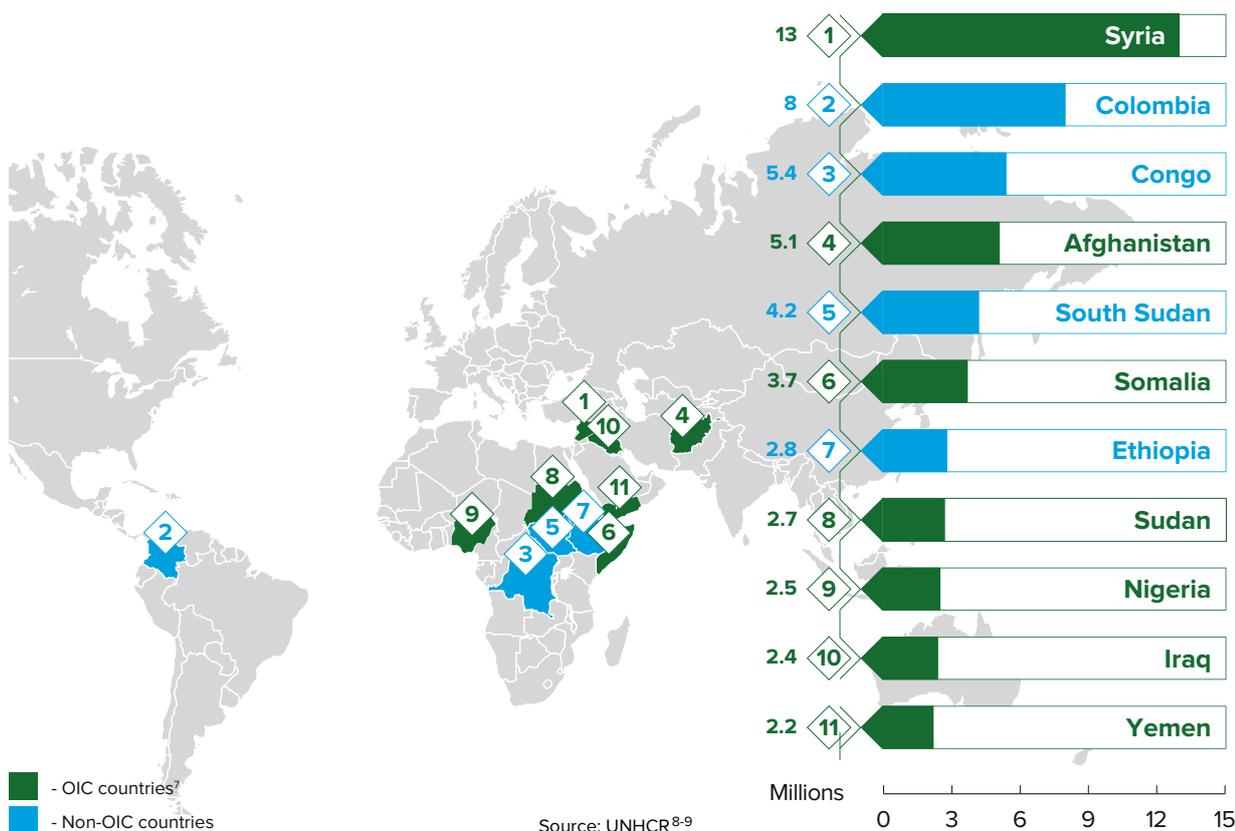
In 2018, a substantial number of people were on the move; 13.6 million people were newly displaced, including 2.8 million who sought protection abroad, either as asylum seekers or refugees. 10.8 million people were forced to run but remained in their own countries, equaling an average rate of 37,000 newly displaced people each day of 2018.⁶

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.¹⁰

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 million¹¹ 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 2018.¹² Syria emerged as the leading country of origin for refugees in 2018, with 6.7 million at the end of the year.¹³

Meanwhile, internally displaced people globally grew from 38.2 million¹⁴ 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>

4.3 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.¹⁵

Lebanon:

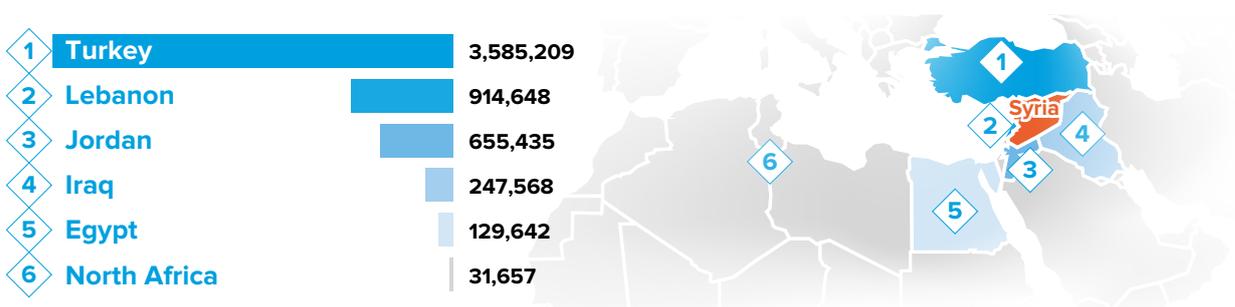
In 2019, Lebanon marked its ninth year of the refugee crisis following civil unrest in Syria, which began in 2011. Over 900,000 Syrian refugees are registered in Lebanon.¹⁶

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.¹⁷

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.¹⁸ Jordan’s refugee population increased to 744,795 as of December 2019, of whom 655,000 were Syrian.¹⁹ Of the total refugee population in the country, 83% live in urban areas, outside of refugee camps.²⁰

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.²¹

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.²² More than half of the 540,000 refugee children under the age of 18 have zero access to education.²³

Malaysia:

There are around 178,990 refugees and asylum-seekers registered with UNHCR in Malaysia, as of end February 2020.²⁴ In collaboration with partners in Malaysia, UNHCR offers refugee communities access to skills, education, livelihood, and healthcare to improve their lives.²⁵ UNHCR and civil society members also support the Malaysian government to eliminate statelessness.²⁶

Yemen

Violence and fighting have exacerbated poverty in Yemen, with 24.1 million Yemenis in need of humanitarian assistance.²⁷ 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.²⁸

Mauritania

Mauritania hosts 58,500 refugees, around 95% of whom are Malians who have arrived since 2012.²⁹ 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.³⁰

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.banquemoniale.org/curated/fr/380011562674279503/pdf/Concept-Project-Information-Documents-PID-Mauritania-Social-Safety-Net-System-Project-II-P171125.pdf>

30 Ibid

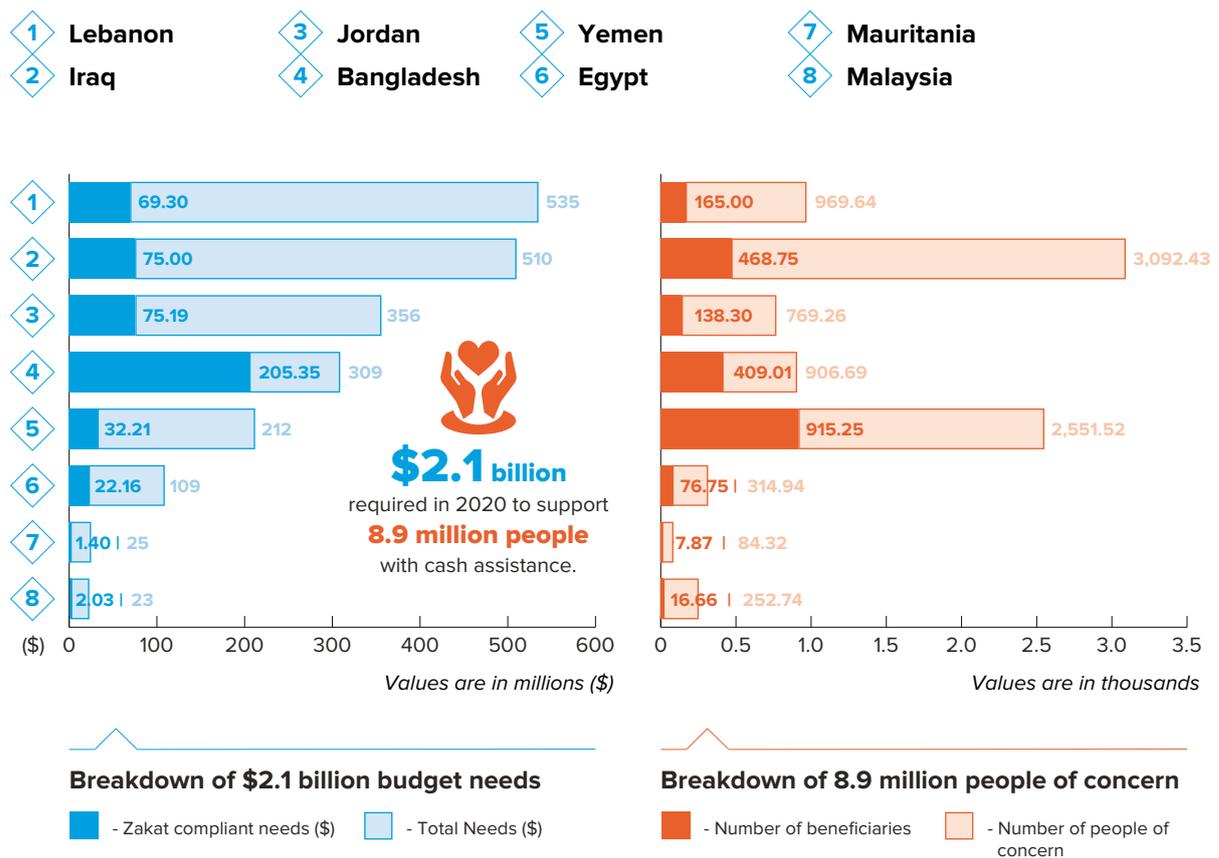
4.4 Projected Budget Needs

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 2019.³¹ 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.³²

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

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

5. 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.



© UNHCR/Mohammed Mukhawesh

6. 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.

Report Team

Khaled Khalifa
Strategic Advisor
UNHCR

Rafiuddin Shikoh
Strategic Advisor
DinarStandard

Houssam Chahine
Strategic Advisor
UNHCR

Shadi Ghrawi
Report Advisor
UNHCR

Haroon Latif
Lead Author
DinarStandard

Raefah Makki
Communications Advisor
UNHCR

Mona Mahdi
Report Coordinator
UNHCR

Mohamed El Mehdi Zidani
Report Coordinator
UNHCR

Iman Ali Liaqat
Analyst
DinarStandard

Zainab Mansoor
Analyst
DinarStandard

Simeen Mirza
Analyst
DinarStandard

Zuhaib Baig
Coordination Support
DinarStandard

Dima Jarmakani
Coordination Support
UNHCR

7. Glossary

Term	Definition
Asylum Seekers	An asylum-seeker is someone whose request for sanctuary has yet to be processed.
Fatwa	A ruling on an aspect of Islamic law given by a recognized authority.
Fintech	Financial Technology (Fintech) is an emerging concept that uses technology to disrupt the financial services, business operations, and customer services.
Halal	The word 'Halal' literally means permissible in Arabic and is also frequently translated to mean lawful.
IDPs	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.
MENA	The Middle East and North Africa
OIC	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.
Purification Funds	Donation of funds earned by Islamic banks from transactions that are not Sharia compliant, for example late payment fees.
Refugees	A refugee is someone who has been forced to flee his or her country because of persecution, war or violence.
Shariah	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.
UNHCR	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.
OCHA	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.
Waqf	A Muslim religious or charitable foundation created by an endowed trust fund. The plural is Awqaf.
Zakat	Zakat represents a mandatory religious requirement in Islam for individuals and institutions to give 2.5% of their accumulated wealth to those in need.

UNHCR

International Humanitarian City
Building #4, Floor #2
Dubai, United Arab Emirates
www.unhcr.org | zakat.unhcr.org

Published in April 2020

Cover photo: © UNHCR/Jerry de Mars

