

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.

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