

UNHCR ANNUAL CONSULTATIONS WITH NGOS
3 – 5 JULY 2019

International Conference Center Geneva

DISCUSSION PAPER

Title of session: Islamic Social Finance

Date: Friday, 5 July 2019

Time/Room: 11:00 – 12:30 – Room 4

Executive Summary:

The mobilisation of additional, timely, predictable, and sustainable financial resources is key to the successful implementation of the Global Compact on Refugees. The Global Refugee Forum will serve as an opportunity to make progress towards this objective and expand the base of financing beyond traditional donors, including in the area of Islamic social finance. As a source of innovative and alternative aid, Islamic social finance has become a key area of focus in discussions on how to broaden the base of support for refugees and host communities. The diversity of its instruments, combined with its huge financial potential – the current Zakat market alone stands at \$76 billion, according to UNHCR's 2019 launch report on its Zakat Programme – makes Islamic philanthropy a critical opportunity to galvanise additional support for refugees and host communities.

This session will present key tools that can assist humanitarian organizations to leverage Islamic philanthropy, with a focus on Zakat. It will feature case studies of how international organizations approach Islamic philanthropy in terms of fundraising and implementation (such as the launch of the Refugee Zakat Fund by UNHCR in 2019), and the positive impact of funds raised for refugees and host communities. The session will also include a discussion on how NGOs can further harness the power of Zakat and Islamic philanthropy through partnerships with other NGOs, affluent individuals and the private sector, for the purposes of contributing to the Global Refugee Forum.

Concept Note:

- **Background and link to the theme** [*see Concept note for the overall theme for reference*]

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communities. The diversity of its instruments, combined with its huge financial potential – the current Zakat market alone stands at \$76 billion, according to UNHCR’s 2019 launch report on its Zakat Programme – makes Islamic philanthropy a crucial opportunity to galvanise additional support for refugees and host communities.

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The session will contribute to the Global Refugee Forum by having a discussion on innovative financing mechanisms. Humanitarian organizations are now actively utilizing Islamic philanthropy tools, particularly Zakat (obligatory alms), Waqf (Islamic endowments) and Sadaqah Jariah (sustainable voluntary charity) in refugee responses, and there are numerous good practices to be shared.

- **Objective(s) of the session** [*Development of the executive summary provided for the detailed agenda*]
 - Explore the potential of Islamic social finance to contribute to broadening the base of support, with a focus on Zakat, Sadaqah and Waqf.
 - Present successful case studies of Islamic social finance tools being used for humanitarian assistance purposes that can be shared as good practices at the Global Refugee Forum and inspire other NGOs to also utilise such tools.
 - Showcase the impact achieved by working with Islamic social finance in terms of reaching out to new audiences and filling the funding gap for humanitarian assistance.
 - Draw a roadmap of international collaboration, coordination and partnerships required to maximize the potential of Islamic social finance for the benefit of refugee and host communities.

- **Desired outcome of the session:** [*What would you like to achieve with this session? What would be the follow-up actions to it?*]
 - Put in place a brief guiding document for organizations wishing to explore key tools of Islamic social finance in the lead-up to the Global Refugee Forum and beyond.
 - Announce recommendations that relevant Islamic social finance actors (foundations, private sector, HNWI) and NGOs can draw on to enhance their strategic engagement.

- **Methodology & choreography** [*panel discussion, break-out sessions, pigeonhole, video presentation, mixture of different elements*]

Mixture of:

- Panel discussion
- Presentations
- Pigeonhole