

SUMMARY OF THE VIRTUAL SEMINAR 10
“UNRWA WAQF FUND”**Agenda**

Moderator - Rahmeh Al Hyari, Partnerships Officer, UNRWA

	Speaker
Welcome	Moderator Rahmeh Al Hyari, Partnerships Officer, UNRWA
Best Practices of Waqf	<i>Mr. Ibrahim Fawaz Abdulnour, Lead Strategic Coordinator, IsDB</i>
Best Practices of Waqf Planning	<i>Amb. Dr. Ali Goutali, Director of Palestine and Al-Quds Department, OIC</i>
UNRWA Waqf Case Study	Mohammed Al Tarawneh, Partnerships Officer, UNRWA
Discussion	<i>Lead by the Moderator Rahmeh Al Hyari, Partnerships Officer, UNRWA</i>
Closing	

Seminar Summary**Moderator - Rahmeh Al Hyari, Partnerships Officer, UNRWA**

The international dialogue on the role of Islamic social financing in achieving the sustainable development goals is a global discussion on unlocking the potential of Islamic social financing to support global co-operation efforts, to end extreme poverty, boost economic development, respond to the impact of the devastating pandemic COVID-19 and help countries get back on track to meet the sustainable development goals and a more sustainable future for all by 2030.

Mr. Mohammed Al Tarawneh, Partnerships Officer, UNRWA

Islamic Sharia has opened many sources of goodness and benefits for others, some of the charitable instruments are obligatory such as zakat and some that are voluntary such as charity or Waqf. Frankly, Waqf is the clearest form of ongoing charity. It has characteristics and advantages that distinguish it from other charitable works by not being limited, with its ability to develop methods of dealing with endowments. The Waqf system is an important source for the vitality and development of society, and it embodies the establishment of social solidarity and coordination of the concept of ongoing charity.

Many scholars view the Waqf system and the adoption of it by members of the Muslim nation as one of the important foundations for the advancement of the Islamic nation in different dimensions, economic, social, political, scientific, health, etc... The Waqf played an important role in the



emergence of Islamic civilization. The people's view of the Waqf are strained due to the absence of its great role for many decades.

An example of Waqf would be If I have a commercial building, in which there are commercial offices, then I can to put this property as a Waqf or as an ongoing charity, according to God's way (Sharia) by renting these offices out. The Waqf is made according to the will of the endower. The Waqf has pillars like any contractual obligation: the first pillar (the presence of a donor, the endowed money, the party to which the Waqf money is donated), the Shariaa pillar (the person donating is one of the legal forms expresses his desire to end the Waqf money). The Waqf is distinguished from any charitable project by many advantages, the most important of which is that Islam gave the donor freedom of how to dispose of this money, and this is a large space for the donor to spend this money in a way he finds appropriate and to achieve what the Waqf aspires to. The other advantage is the time and uninterrupted pay.

What are the shapes of the endowments?

The two main types of endowments. Private sector Waqf and Family Waqf. These are types of endowments that determine the beneficiary being certain group of people or family offspring.

The goals of the endowments are many. For example:

- Compliance with God's commands in spending and giving, and doing good deeds;
- To achieve the principle of solidarity among the members of the nation and to find social balance;
- Money-saving and perpetual benefit guarantee;
- Achieving the goals of community development, whether in the social, economic, educational or health;
- Endowments can be in the following among others: -
- Endowments in mosques, such as building mosques and taking care of their maintenance;
- Endowments in public libraries;
- Schools that offer free education;
- Building orphan centers;
- Endowments for various Islamic purposes;
- Research development;
- Quran teaching groups;

When UNRWA thought about the issue of Waqf, and based on its primary role in providing basic services to Palestinian refugees, the endowment fund for refugees was established in 2019 by a decision of the Council of Foreign Ministers in the OIC, and a tripartite committee was established by UNRWA, the OIC and the IsDB with the aim of activating the Waqf fund for refugees. Discussions are still continuing on how the Waqf will be developed and its sources so that the OIC General Secretariat will communicate with its Member countries to encourage them to contribute to this fund. We are still working with the IsDB and the OIC to develop strategic plans to mobilize resources from both countries Member States, non-member states, donors (individuals or the private sector).

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The objectives of the Waqf are the same as those of the UNRWA: providing health services, schools, food and cash assistance.

Mr. Ibrahim Fawaz Abdulnour, Lead Strategic Coordinator, IsDB

Presentation: IsDB/UNRWA WAQF Fund (Attached)

Amb. Dr. Ali Goutali, Director of Palestine and Al-Quds Department, OIC

UNRWA is playing an important role in supporting millions of Palestinian refugees across the Middle East, providing them with health care, education relief and social services. It also contributes to promoting stability in the region however despite this indispensable role and the given fact that its financial recourse depends on voluntary contributions by donor States and institution, this agency continues to face catastrophic funding shortfalls that leave millions of Palestine refugees dangerously vulnerable to losing their basic needs including health care and education. Aware of this volatile character of funding of UNRWA and keen to contribute to providing a different model of financial assistance to Palestinian refugees until a lasting solution to their plight is reached in accordance with resolution 194, the Organization of Islamic Cooperation (OIC) decided to establish a fund to support Palestine refugees with the designation of UNRWA as a beneficiary and implementing partner. The decision to establish this fund which is actually inspired from the Islamic traditions and models of social financing was taken by the 44th session of the OIC council of foreign ministers held in Cote D'Ivoire in July 2017 requesting the IsDB to conduct a possible feasibility study on the establishment of the fund. A preliminary study was prepared later on by the IsDB and was adopted by the 45th session of the council of foreign ministers held in Dhaka in Bangladesh in 2018.

The final communique by the seventh Islamic summit held in May in Istanbul in 2018 provided for the speeding up of the establishment of the fund to ensure sustainable and predictable financing for owner-wise operations according to its statute which was prepared by the IsDB. The fund should be established within the framework of the OIC managed by the IsDB and its returns/proceeds or the returns of its investment projects should benefit UNRWA operations. The general secretariat of the OIC is entrusted particularly with the mission of leading and managing resource mobilization processes by urging Member State to contribute to the fund's resources and organizing platforms or mobilizing resources from the public, the private sector, and from individuals.

While drawing on this experience of the IsDB in mobilizing resources and putting in place innovative fundraising platforms and mechanisms, the fund's resources consist of contributions of States, organizations, private companies, individual investment funds, Waqf funds grants its worth of notice that this fund is meant to invest contributions in projects and use their returns their outcome as financial resources for UNRWA which is in line with the goal being pursued by UNRWA to ensure sustainable and predictable source of funding for its budget for Palestinian refugees.

A ministerial conference was held in Brussels that was chaired by the prime minister of Jordan and the foreign minister of Sweden. The purpose of this conference was to collect contributions from donor States to bridge the gap in the current budget but also look for a new model of financing that would guarantee that ensure predictable sources of financing and I think the work fund is in line with



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this vision. So it is very important to think about new models of financing because contributions coming particularly from donor States are very volatile..

On its part the OIC has started urging member state to contribute to this fund and Member States of the OIC have started to contribute to this fund. More work is needed and in particular to mobilize funds for this Waqf.

Potential donors include as I mentioned before in addition to the Member States and non-OIC member states that is the official side and also NGOs, the private sector and individuals.

Discussion

Amb. Dr. Ali Goutali, Director of Palestine and Al-Quds Department, OIC

Question: Can you elaborate on the services that the UNRWA provides that are aligned with the idea of the Waqf?

All UNRWA programs including health, relief, education and programs relate closely to Waqf and the provided services in the refugee camps by UNRWA can accept Waqf donations. The endower chooses to which program the endowed money will be distributed. We hope that the IsDB and the OIC will diversify these sources and give the endowers full freedom of choice. The endowment money may also cover the general budget used as the operation cost of UNRWA. We face difficulties with covering this cost. We hope that the endowment will strengthen the Islamic financing programs so that we can combine the programs that UNRWA is currently working on which are the Sadaka, Zakat and Waqf programs to provide these services to the Palestinian refugees.

Mr. Ibrahim Fawaz Abdulnour, Lead Strategic Coordinator, IsDB

Question: We would like to know more if the IsDB has general ideas to advocate more and advertise more the Waqf to other Islamic banks, Member States so that to encourage them to be part of it as a sustainable way to support UN agencies or NGOs or the humanitarian development and relief work?

The IsDB has always been working on this Waqf concept establishing a long-time ago the world Waqf association/fund. The bank has also established more than 22 years ago a fund that to provided funding for Awqaf foundation. It is called APIF (AWQAF Property Investment Fund) and the partners/shareholders are mostly government entities as well as non-government entities. There has been several initiatives from the bank in terms of waqf development.

One of the products that we have developed to mobilize resources is Ihsan Waqf Investment Fund. another project that is nearing completion and hopefully its issuance will be during the first quarter of 2022. This is called Cash Waqf Sukuk and all these initiatives we are sensitizing and discussing with governments as well as the private sectors.

The IsDB has realized the importance of the Awqaf in general, it is a huge asset pool that exists around the world, not only in Muslim countries but in Buenos Aires, New York, Oxford, Johannesburg, Cape Town and other towns in Africa, in southeast Asia. In general, the Awqaf assets are not managed efficiently and the returns are generally low for several reasons. However, in the



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initiative, we address this issue, the IsDB is establishing soon a management company dedicated for Awqaf called Awqaf capital.

Awqaf is an important sector and if really supported will reflect on the social development in our member countries and Muslim countries around the world.

Amb. Dr. Ali Goutali, Director of Palestine and Al-Quds Department, OIC

Question: Where can the supporter State Members of UNRWA in particular advocate more for all the Islamic State members to invest more in the Waqf as a sustainable way to support UNRWA but also to stabilize the financial situation and to contribute in a sustainable way to the growth of the agency and will lead to better services and conditions for the Palestinian refugees?

The role of the General Secretariat is only to urge Member States to participate. we have been doing it and will continue doing it. We circulate “notes verbal” to urge them and brief them on the situation of UNRWA, its urgent needs to continue serving the Palestinian refugees. Normally donor States contribute directly to UNRWA and generally speaking they may be still reluctant to contribute to the fund because so far we have only 2 countries that responded positively and started contributing the fund. We are waiting for more countries to come on board. Since this fund is open to the private sector, to individuals to NGOs, to Zakat to all many other potential donors so we are optimistic that maybe we would reach out to new. We are still waiting implementation of the strategy to mobilize resources. Maybe we will with the help of the IsDB put in place platforms to reach out to individuals and to NGOs to enable them to contribute. With this method, we would be able to reach out to those potential donors, which are very important for the Waqf fund.