

**SUMMARY OF THE VIRTUAL SEMINAR 11**  
**“IOM MUSLIM ALMS ADMINISTRATION SYSTEM”****Agenda**

Moderator - Yoseph Alsawady, Awqaf Investment Specialist, Islamic Financial Sector Development Department, Islamic Development Bank Group

	Speaker
<b>Welcome Note</b>	Moderator -Yoseph Alsawady, Awqaf Investment Specialist, Islamic Financial Sector Development Department, Islamic Development Bank Group
<b>Experience of IOM in Islamic Social Financing</b>	
<b>Introducing IOM’s Muslim Alms Administration System</b>	<i>Hassan Abdelmoneim, Special Envoy to the Gulf</i>
<b>Islamic Social Financing &amp; IOM</b>	<i>Professor Dr. Servet Bayindir, Project Coordinator</i> <i>Chairperson of the Islamic Economic Research Waqf (Iktisad Waqf)</i>
	<i>Assoc. Prof. Dr. Yusuf Dinç, Project Co-Coordinator</i> <i>Istanbul Sbahattin Zaim University</i>
<b>Discussion</b>	<i>Lead by the Moderator</i>
<b>Closing</b>	<i>Dr. Ahmed Al Meraikhi, Special Adviser to the UN Secretary-General</i>

**Seminar Summary**

Moderator - Yoseph Alsawady, Awqaf Investment Specialist, Islamic Financial Sector Development Department, Islamic Development Bank Group

This seminar’s aim is to foster global discussion on best practices regarding Islamic social finance in various forms such as zakat, sadaqah, and Waqf.

The intention is to optimize the impact of Islamic social financing while helping to fill the global SDGs financing gap through strategic alignment with the SDGs, especially given the significant overlap between the SDGs and the objectives of the Islamic law known as Makassed Al Sharia.

The content of this dialogue will feed into a Report and actionable Roadmap, which we hope will benefit many international organizations and agencies whether they be in the UN system or beyond.



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So, one of these international organizations in question which is interested in exploring the potential of Islamic Social Financing and is the focus of today's seminar is the International Organization for Migration (IOM). With its extensive global footprint of operation carried out in more than 400 offices worldwide the IOM has become an important humanitarian and development actor that has been increasingly called upon by governments to respond to crises and development challenges while upholding the dignity of its beneficiaries. These beneficiaries include migrants, internally displaced persons, refugees, victims of trafficking and other vulnerable communities, including women, children and persons with disabilities. Indeed, in today's world, the significance of migrants and migration cannot be overemphasized.

In today's seminar, we are examining an initiative that is in the design phase and nearing the launch phase and is yet to be officially launched. It is encouraging to see new initiatives and programs continue to be developed as we move forwards and we hope that the Dialogue may contribute in a positive way to such new initiatives.

### Hassan Abdelmoneim, Special Envoy to the Gulf, IOM

Presentation Attached

In previous sessions, many of our colleagues have enlightened us on what their organizations have achieved so far, and their contribution represents a real insight to our collective efforts in the UN system to achieve the noble objectives of this Islamic Financing Dialogue. Our mission, at IOM, is committed to the principles that humane and orderly migration benefits migrants and society.

*Question: The IOM plans to establish a Sharia board to help guide IOM what are your thoughts on broadening the approach to a UN-wide board that would also encourage sharing experience across UN entities?*

It is feasible. The objective is not really the funding but what we can do with the funds that we will collect. These funds should be used immediately and we should establish a separate account. There are so many technicalities. We have policing in the budget department and different departments. We will do everything possible to ensure that we work in full partnership with other organizations from the IsDB to the ESCWA to other UN agencies even more advanced than us.

*Question: Would you like to mention to us maybe the major challenge that the UN agencies might face for international organizations?*

I don't have an accurate answer. I think the most important challenge will be how successfully we will be able to use whatever funds we can get from zakat or awqaf and how much we will be using and I hope at equal levels for the emergency response but also for the achievement of the sustainable development goals and both needs are urgent in many countries where we work. The most important is our engagement for a balanced use of the funds. This has to be done in coordination with a large group of partners but also ensuring that we're following the Islamic traditions and Islamic rules and regulations. Maybe another set of seminars could be launched in a year so we can assess where we are and what we have achieved.



**Assoc. Prof. Dr. Yusuf Dinç, Project Co-Coordinator, Istanbul Sbahattin Zaim University**

Islamic social financing is not a competition area but it is a cooperation/collaboration area. With this paradigm, we can overcome many challenges. We have analysed the challenges that other institutions are facing. With this paradigm of cooperation and collaboration, there are no challenges and obstacles that we cannot overcome.

*Question: The question is based on the 8 categories of Zakat's recipients. In a previous seminar, it was mentioned that an agency recommended that we get 11% indirect support for funds received from organizations. However, from individuals the agency does not impose any cost according to Islamic Sharia. So why the discrepancy between both?*

If you refer to the practices of other UN agencies, you can find various practices. What we wanted was to set the limits by our interviews and analysis. It's the internal strategic decision. There are some costs especially that the overhead part is necessary in many institutions. If IOM decides on a number lower than 12.5, this is their strategy but as what is understood from this area view. There are no limits for expenses from Sadaqah but it is better not to exceed 12.5 percent. This will be the first study that there are systematically analysed and presented to the people therefore this is our main approach, so we wanted to mention the limits of the fatwa.

*Question: There is an upcoming least developed countries conference in Doha between the 23<sup>rd</sup> and 27<sup>th</sup> of January 2022. Would you consider to plan or have side events dedicated to Islamic social financing initiatives?*

There is no better place to start talking and sharing our thoughts with other people than at this event. If given the opportunity, it will be a consolidated approach to come together to this event. It will enrich our experience and will probably enrich the event itself.

Regarding the previous question on the percentage, it will not be 12 percent. The budget department will take the final decision and that is their prerogative. Our current overhead is 7 percent and it is different from one agency to the other.

*Question: There is a vast array of different nationalities working on this project. It shows the international nature of the scientific project itself let alone the application. Was it intentional? How did this team come together?*

That was a strategy, as we wanted to establish a team from different nationalities from different perspectives and regions of the world. We could reach the best result with this combinations. With the interviews, we distributed the geographies and the schools of Islamic thought. We had a huge experience on working with multinational teams and this was one of the strengths of our study.

**Professor Dr. Servet Bayindir, Project Coordinator, Chairperson of the Islamic Economic Research Waqf (Iktisad Waqf)**

Our team was very strong. It included experts in different domains and every scholar has his own source (books and articles). They have conducted so many projects about Islamic finance issues.



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*Question: Zakat is a mandatory worship and involves several Sharia rules and regulations in terms of its distribution and collection. However, IOM is a secular organization. Do you think that only a Sharia board can ensure full compliance of the Islamic charity with the requirements of Zakat?*

This is the objective of this study. We understood from our analysis that collectors' religious status is not an issue but the recipients' religious status can be. It was a challenge from what we understood from the other agencies that are practicing but we understand that for some recipients it is never mentioned whether they should be Muslim or not and one of the recipient categories should be non-muslim. In some cases, non-Muslims also can benefit from the zakat.

We also focused on the standard and procedure. We focused on the banking account from the beginning to the ending of the account. It is for international organizations not only for non-Muslim organizations.

#### Hassan Abdelmoneim, Special Envoy to the Gulf, IOM

On a personal level, the IOM is a secular organization, and I believe there is no religion in any humanitarian work. We should not base it on religion. The essence of religion itself is to do humanitarian and development work. IOM can be used by this philanthropy fund to achieve those objectives. We want to have this Sharia board to discuss ideas. Other organizations have already implemented this and we can learn from their experience.

#### Assoc. Prof. Dr. Yusuf Dinç, Project Co-Coordinator, Istanbul Sbahattin Zaim University

IOM is focusing on solving the problems of vulnerable communities. That may bring some costs, and IOM does not have any sources itself – it only raises funds from the donors. So, the 12.5% includes everything and every expense.

One of the important findings from the scholar interviews is that the way that is most accountable and transparent is the most Islamic.

#### Hassan Abdelmoneim, Special Envoy to the Gulf, IOM

The idea started long before we even decided to have a special envoy to the Gulf countries. IOM realized that we need to engage more with the private sector. As we moved forward, we started looking at what are other potential partners.

The idea of having one UN fund is great.

#### Dr. Ahmed Al Meraikhi, Special Adviser to the UN Secretary-General

In this seminar we were introduced to the work of IOM and what it does regarding Islamic Social Finance. This proves the importance of this project. We must continue our work together to reach the desired mechanism. I am very optimistic about finding this mechanism that complies with the United Nations system because it will help many people knowing that more than 65% of disasters are happening in Islamic countries.



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Zakat is very interesting and sensitive to Muslims. This cooperation between the United Nations and the IsDB will achieve what we aspire for. This will take time; we do not expect the mechanism to be developed in the very near future because it will take time to develop a mechanism/roadmap that includes all aspects.

We will continue with these dialogues until the idea of Islamic Social Finance and its importance is fully understood. International Organizations such as the IOM and the UNHCR are working on Islamic Social Finance, but how can we have a comprehensive effort that includes all sides so that all organizations can ultimately fully benefit and that will enable any Muslim from any part of the world to pay his Zakat or Sadaka through the United Nations.