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NZF Worldwide is an umbrella body that represents the interest of a global family of National Zakat Foundations. The organisation takes responsibility to design, develop and deliver on the strategic direction and placement of Zakat agendas in Australia, Canada and the United Kingdom.

NZF Worldwide is focused on establishing the pillar of Zakat in countries that lack state Zakat infrastructure, such as Malaysia. We build Zakat institutions which can support Muslim communities and calculate, collect and distribute their Zakat responsibilities according to scripture.

We have taken great pride in leading the Zakat dialogue in our countries of operation. We are committed to ensuring that Zakat is understood and managed effectively in the presence of Muslim communities. The organization does this through a multidisciplinary team which brings together Islamic jurists, educators, charity services specialists and philanthropists.

Services
We have four key service areas in which we work:

*Education*
We are developing the intellectual capital in the Zakat space to be utilized by NZFs and other Zakat bodies who wish to benefit from our works.

*Intelligence*
We are looking at trends that effect Zakat bodies and creating a central depositary of essential information. Over time this will emerge as an essential catalogue which Zakat stakeholders can benefit from and utilize to inform decision making.

*Innovation*
We are currently exploring how technology can significantly improve the education, calculation and distribution of Zakat. From online apps to block chain methodology, we have different threads of innovation which we are using to empower the Zakat dialogue across the world.

*Inauguration*
Having established a number of National Zakat Foundations, we are eager to expand the reach of our work. We work with select partners who are either interested in facilitating a launch of NZF in their country, or need help establishing formal Zakat structures and policies within existing charitable infrastructure.

We are currently working on this final component of our work with humanitarian agencies that though they are not identified as religious, are dedicated to Muslim individuals and communities. Such organisations have a key interest in how Islamic giving can have an impact in their work and support the delivery of services to Muslim majority audiences. UNRWA’s approach to NZF Worldwide is welcomed and a supporting position is articulated here with a view of the key requirement to operate a Zakat ecosystem that allows a practical distribution of such funding.
Zakat
Zakat is the mandatory charity that is legislated on the Muslim community. A pillar of the tradition mandating a 2.5% charge on the net wealth of an individual to be given to the needy or to benefit them. The definition of ‘needy’ is actually one which goes beyond the regular understanding of those in absolute or relative poverty. The instruction in the Quran legislates this as, ‘Zakat expenditures are only for the poor and for the needy and for those employed to collect [Zakat] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of God and for the [stranded] traveler - an obligation [imposed] by God. And God is Knowing and Wise.’ [Quran, 9: 60]

The collective economy of Islamic and Muslim-majority countries is currently one of the fastest growing in the world, and among the MINT countries (Mexico, Indonesia, Nigeria and Turkey) – predicted by some economists to be the world’s next economic giants – Muslims make up 61% of their combined populations. These growing economies offer considerable potential now and in the coming decades, for Zakat collection. The OIC reported in 2016 they approximate the global Zakat value to be close to $600 billion.

Despite Zakat being essentially a tax on savings, and an involuntary payment to the collector, Zakat has developed an identity with charity and philanthropy. This is a product of the collapse of awqaaf infrastructures and the traditional revenue streams they would provide, as well as instability plaguing much of the Muslim world. Consequently, we have seen Zakat payers use those funds as the basis of pursuing public good.

What we see here is a wealth class that is designed around improving social mobility and providing essential aid and assistance for those Muslims that find themselves in need. Furthermore, it ensures a benefit for the payer, through Zakat’s identity as a ‘purifier’ of wealth and that which brings blessings to what remains.

According to al Nawawi's report from Al Wahidi, this class of wealth is called ‘Zakat’ because it increases the funds from which it is taken and protects them from being lost or destroyed. (Al Majmu', Vol. 5, p. 324)

Islam is extraordinary in the extent of its care for the poor and its commitment to solving the problem of poverty whether through directives and recommendations that exhort Muslims to have mercy on the poor, by means of legislation and laws, or through application and action.

The Islamic position on dealing with the vulnerable is further matured through the conduct and manner of the Prophet of God, Upon Whom Be Peace in this regard. He famously said, “Those who are merciful will be shown mercy by the Most Merciful. Be merciful to those on the earth and the One in the heavens will have mercy upon you.” (Tirmidhi) and always encouraged Muslims to actively engage in supporting the weak and needy.

These scriptural and prophetic injunctions legitimize Zakat’s position as the social inclusion and poverty alleviation vehicle of choice for the Islamic tradition. For stakeholders such as UNRWA, which carry an international mandate for the welfare and human development of the Palestinian people it is imperative for the the agency to investigate how it can distribute Zakat funds. This paper provides a clear position for UNRWA on how to access precious Zakat funds and utilize them in a way which both meets the social needs of the time, whilst ensuring this is done in line with juristic requirements. With the Palestinian people living through some of the most difficult conditions on the planet, they have a claim to make on Zakat authorities, and UNRWA has a legitimate mandate to act on their behalf.

The Jurisprudence Surrounding Poor & Needy
Islamic rulings are predominantly drawn from four schools of jurisprudence, and when taking a position for the general public it is important to establish a position with the highest level of acceptance across the juristic spectrum. The schools are named essentially after their founding jurists and such positions detailed here are from the Hanafi, Shafi, Maliki and Hanbali schools.

The Hanafi school is from the largest of all juristic schools and is most heavily subscribed to in Asia and in Western economies where Muslims are a minority. This school defines the 'poor' as a person who has wealth (properties and/or income) at a level that is insufficient to satisfy their basic needs. As such their net wealth is either below ‘Nisab’ (a value of 20 dinārs of gold; $3532.89 or 200 dirhams for silver; $328.35, as of 21st Ramadan 2017). The issue of which Nisab value to use, of gold and silver has been debated by jurists due to the significant difference between the two in the modern time. The most widely accepted position of contemporary jurists is, one should use gold in calculation, if one’s wealth is held exclusively in gold, alternatively use silver, as this is closer to the spirit of giving and will increase liability and as such value to the needy.

The ‘needy’ is classified as an individual who owns nothing. This can be qualified as a disadvantaged person who:

- owns nothing
- owns shelter, furniture, clothing, but which is not sufficient to satisfy basic needs
- owns less than the Nisab value of money
- owns less than Nisab of non-monetary goods, such as stocks.

According to the other three major schools of jurisprudence, the poor and the needy are not defined with regard to Nisab exclusively, and a broader perspective is taken, in regards to their ability to satisfy essential needs. Therefore, a ‘poor’ person is one whose wealth and income do not facilitate the meeting of their essential needs, while a ‘needy’ person is one whose wealth and income fall not much short of the satisfaction of essential needs.

Taking this perspective, a person who deserves Zakat, under the categories of ‘poor’ or ‘needy’ may be:

- A person who has no property or income at all.
- A person whose wealth and income barely satisfies their basic needs.
- A person whose wealth and income satisfies more than half of their basic needs but still falls short of fulfillment of those needs.

Bearing all this in mind, for UNRWA, as long as it can be identified where refugees would qualify as ‘poor’ and ‘needy’, then Zakat funded services could be accessed. The Islamic faith recognizes the ‘poor and needy’ to be those with a net wealth of less than Nisab (i.e. $362) (Therefore, those UNRWA service users who are in this state could access Zakat as cash or through other basic services.

The key point to note here is that from an administrative perspective, it is incumbent for UNRWA to qualify the financial status of the individual beneficiaries and ensure the identified recipients are eligible. It should be noted, this could be done by a third party on behalf of UNRWA, should it be difficult for UNRWA to administer. So for example in the short term, when using the gauge of income as a measure of poverty, having a small team of administrators alongside staff responsible for disbursement collecting further information on if individual recipients are accessing other means of support from other agencies that may take them over nisab would be useful. This would only be required to be done as a sample to be able to legitimize the position taken with all jurists. This would be a desirable rather than an essential. (NZF Worldwide could potentially work with UNRWA to ensure this at a field level until a successful process is underway.)

Considering the territorial coverage of UNRWA, it is important that good quality data is available of the socio-economic status of the specific locations served.
This should save time in the qualification of families that are accessing Zakat funded services. Based on current needs and requirements, it is affirmed here that two UNRWA programs should be easily able to access Zakat legitimately:

- Cash Assistance
- Food Aid

**Cash Assistance**
Cash is an essential component of the UNRWA intervention for the vulnerable and is one of the most traditional Zakat support vehicles for aiding people in financial distress.

Targeted short-term cash assistance to the poorest of Palestine refugee families helps bridge the poverty gap and allows them to purchase the necessities for rebuilding their lives. For those that are eligible cash assistance should be grown and accelerated and without any fear of breaching UNRWA grant rules.

In Ma'alim al Sunan, Vol. 2, Al Khattabi states,

"The upper limit of giving in Zakat is the provision of sufficiency of sustenance. This differs from one person to another, and there is no definite amount that applies to all people in all their different circumstances."

This is important, and ensures UNRWA programs that serve those that are struggling to meet their living requirements, i.e. ‘the needy’, can be managed in a very flexible and proactive way. Cash assistance is an essential component of traditional Zakat giving and as such we can see that the UNRWA e-card system for instance, is clearly Zakat eligible and provides a legitimate program in a modern and dignified way.

UNRWA is successfully delivering cash assistance across a number of territories from Syria to the West Bank, and as such should be a viable and scalable option for Zakat bodies to work with UNRWA in the distribution of funds.

What is important to note is, aside from making regular cash payments for people to fulfil their basic needs, there is an opportunity to make small grants to support enterprise. This would be a focus on making awards which remove people from poverty and make a transformational difference. This is consistent with the classical methodology of giving Zakat, as seen by the companions of the Prophet, Upon Whom Be Peace. The money can also be used to invest in the start-up of small businesses, of particular value for vulnerable populations of women, to generate income or even provide uniforms allowing their children to attend school.

In Muhalla, volume 6, it is reported from 'Umar, "When you give, make [the recipient] rich. "In his actual practice, he gave such amounts that made the poor rich. A person came to him complaining of poverty. 'Umar gave that person three camels just to help him out of need and went on to advise his Zakat officers to "repeat the distribution of the Sadaqah on people, even if you give them a hundred camels."

With such a position taken by the head of the state at the time, by Umar Bin Khattab, widely recognised, as one of the leading Islamic leaders of history, we can see there is significant flexibility in making grants. Unquestionably such programs should be supported by Zakat bodies, especially large sovereign bodies seeking to make a transformational impact for Palestinian refugees across the region.
**Food Aid**
UNRWA provides emergency food assistance to approximately 911,500 refugees, including 447,800 women and 17,400 female-headed households, focusing on those living below the abject (US$ 1.74 per person per day) and absolute-poverty lines (US$ 3.87 per person per day). Such people are fully dependent on such support and by default find themselves under the category of ‘needy’.

UNRWA is able to utilize Zakat funds to fund such a program, and for people that are ‘needy’ and require assistance to be able to feed themselves, this represents a legitimate use of Zakat funds. Scholars have often debated the way that Zakat should be awarded, in cash or in kind, however it is identified here, that where food supply and freedom of movement is difficult, this will not even be a consideration and the food box is a good Zakat program.

**Geography**
The recommendations to focus on cash assistance and food boxes for Zakat funds in the short term is based on the immediate needs that are facing Palestinian refugees in the region. The positions articulated here have been made recognising the context and circumstances presented by UNRWA to National Zakat Foundation Worldwide.

For the reader, a summary position of the primary recommended deployment areas is presented below:

1. Gaza
2. West Bank (Inc. East Jerusalem)
3. Syria

**Gaza**
Gaza’s unemployment rate - at 43.9 per cent - is now the highest in the world, according to the latest World Bank economic update. Even more alarming is the situation of youth unemployment which soared to more than 60 percent by the end of 2014. The World Bank highlight, ‘Youth unemployment in Gaza is particularly worrying at 58%.’ This creates a major problem for the whole system, as the territory has a very young population. As such it is no surprise that the report also highlights, ‘nearly 80% of Gaza’s residents receive some form of aid, poverty rates are very high’ (http://www.worldbank.org/en/country/westbankandgaza/overview)

Such circumstances in a confined location as small as Gaza, means that a position can be taken whereby the default position of the individuals is one of eligible. “I cannot but recall the shock of my first very brief tour of the destruction of the Shujjaiyaa neighbourhood,” said the Special Coordinator for the Middle East Peace Process, Mr. Nickolay Mladenov, about Gaza on 19 May, during his briefing to the United Nations Security Council on the situation in the Middle East. ‘No one can remain untouched by the scale of devastation, the slow pace of reconstruction, and the vast needs to rebuild lives and livelihood,’ he stated.

“The ongoing blockade and the 2014 war have taken a toll on Gaza’s economy and people's livelihoods. Gaza’s exports virtually disappeared and the manufacturing sector has shrunk by as much as 60 percent. The economy cannot survive without being connected to the outside world.” Gaza’s real GDP is only a couple of percentage points higher now than it was 20 years ago in 1994, while the population growth is estimated to have increased by about 230 percent over the same period. Consequently, real per capita income in Gaza is 31 percent lower now than in 1994”, said Steen Lau Jorgensen, World Bank Country Director for West Bank and Gaza.

**East Jerusalem**
UNRWA has presented a case to suggest ‘a sharp rise in the number of Palestinians, including refugees, killed and injured during operations carried out by the Israeli Security Forces (ISF) in the West Bank, in and around refugee camps.

This upward trend started late 2012 with 2015 being the deadliest year since 2006, with 145 Palestinians, including 49 refugees, killed. 65 per cent of the 145 Palestinian fatalities were allegedly involved in stabbing or ramming attacks. In 2015, the Israeli authorities demolished 550 structures, displacing 807 Palestinians, including 287 Palestine refugees through the application of a planning and zoning regime the United Nations considers restrictive and discriminatory.

In 2016, a spike in demolitions has been recorded and the number of Palestinians displaced in the first four months of 2016 is higher than the overall number of displaced throughout 2015. Children are particularly exposed to high levels of violence, not only related to the Israeli military occupation, but also due to abuse and violence suffered in their homes and communities.

Youth, particularly young men, are disproportionately more likely than either their female counterparts or other age groups to experience conflict-related violence. Women face cultural restrictions on their movement, which are exacerbated by the Israeli checkpoints and access regime.’ (https://www.unrwa.org/activity/protection-west-bank-including-east-jerusalem)

All of these conditions have put excessive pressures on local people and have forced extreme financial immobility upon locals. The research portal, Europa have reported, ‘in the West Bank, the number of refugees displaced has increased every year since 2010, rising to 2,920 in 2013, of whom 870 were refugees. In East Jerusalem alone, the number of refugees displaced in 2013 was eight times more than the total in 2012.’ (https://europa.eu/eyd2015/en/unrwa/posts/west-bank-emergency)

With this reality it is clear the number of ‘needy’ people is accelerating, especially as women are widowed and children orphaned through the murder and displacement of Palestinians.

**Syria**

As the Syria crisis continues to worsen, Palestine refugees continue to suffer amidst a horrifying conflict, characterized by indiscriminate violence in civilian areas. They are frequently subject to violations of International Humanitarian Law and International Human Rights Law.

Nearly all the 450,000 Palestine refugees who remain in Syria (down from 560,000 prior to the conflict) depend upon regular food shipments for survival, and over half of them live in shelters or temporary housing after being forced to flee their homes.

Unfortunately, due to the collapse of Syria, and its information infrastructure, accurate statistics on poverty and living circumstances are very limited. Death tolls and displacement statistics are collected by myriad NGOs and other authorities and it is clear that years of conflict have crippled the Syrian economy resulting in high inflation and unemployment, offering displaced refugees little chance of acquiring income or assets to rebuild their lives.

Syria, once a haven for Palestine refugees, is now a byword for human suffering on a massive scale with families torn apart through armed violence and aerial bombardment. While life in peacetime Syria was a struggle, with lower school enrollment and higher infant mortality, they now face regular and severe shortages of food, water and electricity.
Conclusions

The United Nations Relief and Works Agency has the ability to distribute Zakat in line with Islamic juristic requirements. It has a number of programs which are not only credible from a legal perspective, but also genuinely aligned to the very spirit of the Zakat tradition.

This report identifies two programs that should be funded, namely, cash assistance and food boxes, however this is not exhaustive. Through successfully running the same projects with a Zakat reporting framework, a review of the wider services would be beneficial and probably facilitate an expansion of the eligibility of existing programs for Zakat funds.

In order to build capacity there are three key things that must be observed:

1. Zakat funds should be segregated and administered within one lunar year

2. Zakat reporting should be able to identify ‘tamleek’ or ‘ownership’ of the funds distributed to specific families/individuals. As such records should identify where and to whom specific Zakat funds have been allocated.

3. The costs for administering Zakat funds should not be taken from the Zakat itself. UNRWA is not a collector and should not seek to act as one, but rather purely as a distributer. As such it should seek to manage the cost of administration from elsewhere and not from the Zakat fund itself.