

# Unleashing the Power of Islamic Philanthropy for Sustainable Impact



**Abdul Aziz Al Ghurair**  
Refugee Education Fund



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## Launch of UNHCR's Islamic Philanthropy Annual Report

In March 2023, [UNHCR](#), in partnership with the [Abdul Aziz Al Ghurair Refugee Education Fund](#), launched its fifth Islamic Philanthropy Annual Report. The report conveys the rising importance of Islamic Philanthropy in supporting forcibly displaced persons. It revealed that the [Refugee Zakat Fund](#) enabled UNHCR to support around 6 million refugees and internally displaced people in 26 countries since it was piloted in 2017.

The launch event included keynote speeches from His Excellency Abdul Aziz Al Ghurair, Founder of the Abdul Aziz Al Ghurair Refugee Education Fund and Chairman of the Abdulla Al Ghurair Foundation; and from Khaled Khalifa, UNHCR Senior Advisor and Representative to the Gulf Cooperation Council countries (GCC). A panel discussion also took place, examining the role of Islamic philanthropy in creating sustainable impact in the lives of the world's most vulnerable communities. Panelists discussed how Zakat and Sadaqah could be utilized strategically to improve educational opportunities for refugee youth, particularly in the Arab region.





The conversation, moderated by Caroline Faraj, Vice President and Editor-in-Chief of CNN Arabic, included the following notable experts in education and Islamic philanthropy:

- ▼ **Dr. Sonia Ben Jaafar**  
CEO of the Abdulla Al Ghurair Foundation and Chairperson to the Global Council on Sustainable Development Goals, UAE
- **Mr. Houssam Chahine**  
Chief of UNHCR Private Sector Partnerships in MENA
- ▲ **Mr. Jamal Al Nouri**  
Chairman of Sheikh Abdullah Al Nouri Charity Society, Kuwait

This paper seeks to introduce readers to Islamic philanthropy, present models of Islamic philanthropy in different organizations, and present action-points to further maximize the impact of Islamic philanthropy in the humanitarian sector.







## Islamic Philanthropy in the Humanitarian Sector

In an era marked by ongoing humanitarian crises, Islamic philanthropy has emerged as a dynamic tool that holds enormous potential for transformative impact. It can contribute towards addressing social and economic challenges support sustainable projects, particularly, in the field of education, training and employment. This is especially vital for vulnerable communities such as refugees and displaced people. By the end of 2022, 108.4 million people worldwide were forced to flee their homes, with almost 35.3 million of them becoming refugees<sup>1</sup>. In the Arab region, there were 2.4 million refugees and 12.6 million internally displaced people<sup>2</sup>. While these statistics are bleak, the full potential of Islamic philanthropy in addressing

these challenges is yet to be harnessed. In recent years, Islamic Philanthropy has grown significantly, driven by the increasing wealth of high-net-worth individuals (HNWIs) and the rise of institutional philanthropy, particularly from the Arab region. According to a joint study conducted by the World Bank and the Islamic Research and Training Institute, global Zakat funds were estimated to reach between USD 550 billion to USD 600 billion<sup>3</sup>. Furthermore, philanthropic giving in the Gulf countries alone is estimated to be USD 210 billion annually<sup>4</sup>. This is expected to increase further in the coming years, driven by the growth of the Muslim population and the increasing wealth of individuals and corporations.



Islamic philanthropy is characterized by a unique framework that combines faith-based principles with humanitarian values. It encompasses a range of charitable practices deeply rooted in the principles of the Muslim faith, which encourages generous giving and supporting people in times of hardship. Islamic philanthropy includes various forms of giving:



### Zakat

a compulsory contribution made by eligible Muslims to specific categories of beneficiaries, amounting to 2.5% of their annual wealth.



### Sadaqah

voluntary giving, allowing Muslims to contribute at their own discretion, without limitations on time and amount.



### Waqf

a lasting donation where individuals give property or funds to be utilized perpetually for charitable purposes.

While Islamic philanthropy is deeply ingrained in the traditions of both Islam and the Arab culture, giving practices have evolved in recent years. As a result, there has been a shift away from traditional, private forms of direct giving that address a recipient's immediate needs toward strategic philanthropy, which is often managed by institutions and seeks to generate social and economic returns while also meeting broader goals. With the proliferation of Islamic Philanthropy, the Arab region has also seen the emergence of new forms of philanthropy, such as impact investing and social entrepreneurship. To unlock the full impact of Islamic philanthropy, a greater emphasis on measuring outcomes, fostering partnerships, and promoting innovation will be essential.



## **Islamic Philanthropy Models**

During the event, humanitarian organizations discussed how they practice Islamic philanthropy. Partnerships, accountability and transparency, structured governance, and strategic decision making emerged as unifying components among the three organizations that shared their models. This section explores in more depth each organization's respective model.





# The Abdul Aziz Al Ghurair Refugee Education Fund Model

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“Islamic philanthropy has the potential to close the widening gap and ensure better outcomes. It is a best practice that others can learn from as a successful development model with long term impact on sustainable livelihoods of entire communities. This happens when there is strong coordination and effective measures for transparency and accountability.”

H.E. Abdul Aziz Al Ghurair  
Founder, the Abdul Aziz Al Ghurair Refugee Education Fund  
Chairman, the Abdulla Al Ghurair Foundation



## The Abdul Aziz Al Ghurair Refugee Education Fund Model

In 2018 the Abdul Aziz Al Ghurair Refugee Education Fund was launched to support refugees and vulnerable youth to access secondary, vocational, and tertiary levels of education. Since its creation, H.E. Abul Aziz has personally committed over 44 million USD. In 2020, he enabled others to fully dedicate match funding to effective programs increasing the funds by 130% overall. To date, over 62,000 refugees and vulnerable youth in Jordan, and Lebanon, as well as youth from conflict-affected countries who are residing in the UAE have benefited from this good giving. The Abdul Aziz Al Ghurair Refugee Education Fund aims to provide hope amidst the disruption by empowering youth with relevant knowledge and skills through offering pathways to education and livelihoods, thus enabling them to positively contribute to the host countries.

The Fund's work is strongly aligned with the Sustainable Development Goals (SDGs), demonstrating a strategic

outcome-driven approach. By ensuring access to quality education and promoting skill development (SDG4), the Fund actively offers youth access to meaningful work opportunities and sustainable economic growth (SDG8). As a result, the beneficiaries of the Fund's initiatives are lifted out of poverty, thereby contributing to the overarching goal of eradicating poverty (SDG1). Moreover, the Fund recognizes that achieving SDG5, which aims to achieve gender equality, can be facilitated through the advancement of SDG4. By providing equitable access to education for all, the Fund contributes to empowering women, achieving gender balance, and reducing inequalities (SDG10).

Through a nexus model that interlinks the efforts of different stakeholders and leverages partnerships (SDG17), the Fund promotes sustainable development, advancing the overall progress towards the SDGs.

**During his keynote speech, His Excellency Abdul Aziz Al Ghurair shared his 8-step approach to successful philanthropy:**

1. Set the vision and strategy
2. Decide why it matters to you - and where you want to help
3. Assure that there is good governance and accountability
4. Set the funding and make it official
5. Hire a professional team to manage your philanthropy
6. Set aside some of your time
7. Get involved and visit the ground
8. Share your impact and learn to inspire other philanthropists.

The approach serves as a solid framework that is strongly anchored in generating sustainable impact. Based on this approach, the Fund leverages its partnerships to set specific targets, track progress, and promote transparency. The approach also ensures that the Fund is driven by a highly organized management framework that is guided by well-defined key performance indicators (KPIs) and monitored with quarterly reporting to establish team accountability. This approach has enabled the Fund to exceed its initial objective of reaching 20,000 youth to support over 62,000 refugees and vulnerable youth.





## Sheikh Abdullah Al Nouri Charity Society Model

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“Islamic philanthropy is an act of worship. Thus, the Zakat as part of anyone’s income, large or small can have a huge impact. As stakeholders, we must ensure that those in need receive these resources in the most efficient and beneficial manner possible. Sharia compliance is a core part of it which also includes transparency, good governance, institutional setup, field visits, and accountability.”

Mr. Jamal Al Nouri  
Chairman, Sheikh Abdullah Al Nouri Charity Society



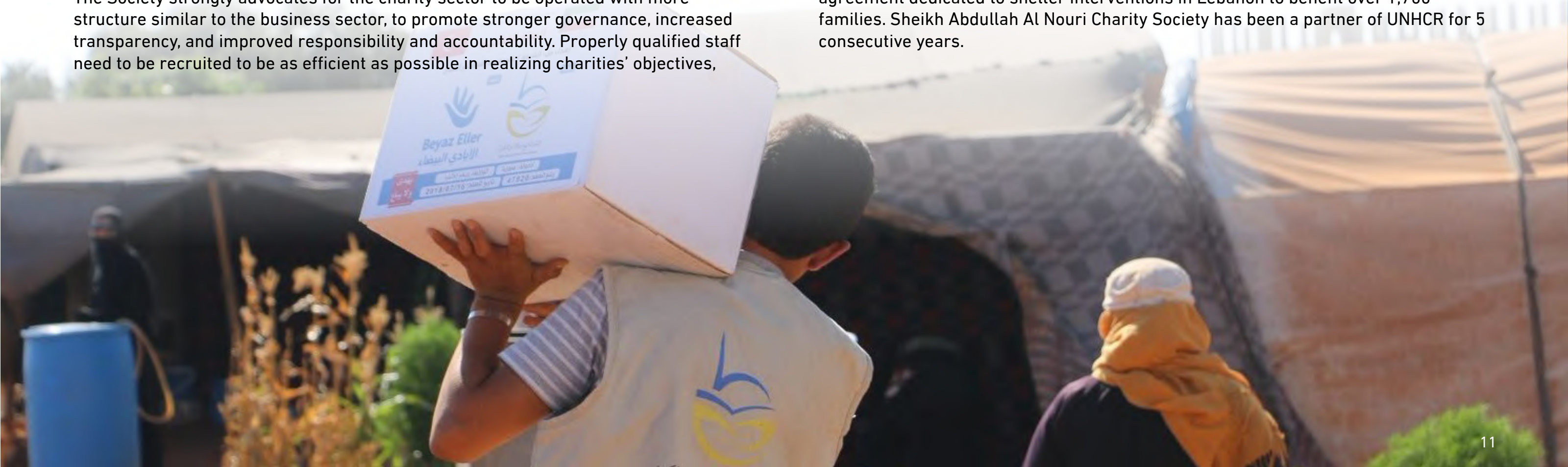
## Sheikh Abdullah Al Nouri Charity Society Model

Sheikh Abdullah Al Nouri Charity Society funds a wide range of humanitarian activities, from lifesaving and meeting basic needs in terms of good health and water, to more sustainable programs focusing on development, particularly education and economic empowerment. The Society has built partnerships with other organizations, international and local, to implement their programs in different countries, with a focus on Africa and Asia, which are the regions in most need.

The Society strongly advocates for the charity sector to be operated with more structure similar to the business sector, to promote stronger governance, increased transparency, and improved responsibility and accountability. Properly qualified staff need to be recruited to be as efficient as possible in realizing charities' objectives,

namely having the highest impact possible on those most in need.

During the 2020/2021 and 2021/2022 Winterization Campaign, UNHCR collaborated in a public fundraising initiative with Sheikh Abdullah Al Nouri Charity Society. The raised funds were dedicated to offer cash subsidies for over 3,000 refugee families in both Lebanon and Jordan. Al Nouri has also collaborated in the winterization campaign of 2022/2023, which is still under the process of signing a new grant agreement dedicated to shelter interventions in Lebanon to benefit over 1,700 families. Sheikh Abdullah Al Nouri Charity Society has been a partner of UNHCR for 5 consecutive years.







## UNHCR's Refugee Zakat Fund Model

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“We have not seen any drop in numbers of refugees at any point over the past 10 years and we are expecting the number of forcibly displaced people to rise to 117 million by the end of this year. Through Islamic philanthropy, leading philanthropists in the region such as H.E. Abdul Aziz Al Ghurair have been playing an important humanitarian role. We need more of them.”

Mr. Khaled Khalifa  
UNHCR Senior Advisor and Representative to the GCC Countries



## UNHCR's Refugee Zakat Fund Model

Following requests from donors who wanted to dedicate their Zakat to refugees, UNHCR started exploring Islamic philanthropy in 2012 by reaching out to Islamic scholars regarding the possibility for UNHCR to collect and distribute Zakat funds. Since refugees and internally displaced persons (IDPs) are eligible for Zakat, falling into at least 4 of the 8 Zakat categories<sup>5</sup>, UNHCR received five fatwas from leading Islamic institutions and scholars allowing it to receive and distribute Zakat funds on the condition that the money is distributed 100% to eligible beneficiaries. After obtaining the fatwas, the UNHCR team worked effortlessly to ensure conditions in the field are met, and that reporting on impact is feasible and directly from the people who are delivering the program. This was only feasible because of the Refugee Zakat Fund's low operational costs, which allowed nearly all of its resources to reach the beneficiaries while also running the fund efficiently.



With this set, UNHCR's private sector partnerships team in MENA started to reach out to HNWIs, companies, foundations, and charities to channel their Zakat and Sadaqah to forcibly displaced people in MENA, Asia and Africa with their Zakat.

The response was beyond expectations, leading to the launch of the Refugee Zakat Fund in 2019. By end of 2022, following [15 fatwas](#) from Islamic institutions in the Middle East, Asia, the USA, USD 192 million has been received, supporting 6 million people in 26 countries through Zakat and Sadaqah. This impact was possible thanks to more than 50 Islamic philanthropy partners from all over the world. To ensure transparency and effective coordination, [UNHCR reports twice a year](#) about the use of the funds received, new initiatives, partnerships and linkage between Islamic philanthropy and SDGs.

Following this successful experience with Zakat, UNHCR, in partnership with the Islamic Solidarity Fund for Development (ISFD) announced the launch of the Global Islamic Fund for Refugees (GIFR). A first-of-its-kind Sharia<sup>6</sup>-compliant financing tool, the GIFR aims to provide innovative sustainable financial resources to support developmental and humanitarian assistance to displaced individuals. The GIFR was launched with an initial capital investment of USD 100 million n by ISFD and UNHCR, inviting various interested entities and individuals to contribute to the fund.

# Refugee Education Fund and UNHCR Partnership



## Abdul Aziz Al Ghurair

Refugee Education Fund

The Abdul Aziz Al Ghurair Refugee Education Fund's successful collaboration with UNHCR, since 2017, is an example of the strategic partnerships that the Abdul Aziz Al Ghurair Refugee Education Fund seeks. To work with its partners on the ground and continuously explore solutions that address pressing challenges in an agile manner, the Fund adopts a rigorous data-driven and outcome-based approach. At the Fund's inception, UNHCR played a critical role in supplying data on the gaps and needs of refugee education, supporting the Fund in identifying the most important educational challenges

that refugees faced.

Since then, the Fund has supported a UNHCR project in Jordan on Supporting Refugees to Access Education. Under this project, there are two activities, which have provided almost 1000 refugees with access to remedial education and a high-demand English language enabling these young people access to post-secondary education and decent employment opportunities. The Fund is continuing its support with a third project in Lebanon for two years (2024 – 2026) to provide refugees and vulnerable youth from the host community with

vocational and technical training. Furthermore, the Fund worked towards establishing strategic partnerships in Jordan and Lebanon as well as worked towards establishing key partners to UNHCR as an outreach partner.

The Fund continues to strengthen its partnership with UNHCR through ongoing discussions and projects to promote the importance of refugee education. For instance, the Fund and UNHCR co-organized a thought leadership event on promoting refugee education, "Unlocking Impact through Islamic Philanthropy", in

2021 at the Rewired Summit in Dubai. Furthermore, UNHCR invited the Fund to take part in the 2019 and 2023 Global Refugee Forums to promote refugee education and strategic philanthropy, as well as to participate in different venues and events.

Gathered around the same vision and focused on the same objectives, the Fund is committed to continue its strategic partnership with UNHCR to provide high-quality, innovative educational solutions to the most vulnerable youth and refugees.



## Islamic Philanthropy for Sustainable Impact



“Successful philanthropic initiatives engage partners in the ecosystem to promote accountability, mobilize resources, and share knowledge and resources. This requires impact reporting. It is critical to show the impact of Islamic philanthropic practices such as Zakat and Sadaqah to ensure the sector’s growth and meet the needs of vulnerable populations at scale.”

Mr. Houssam Chahine  
Chief of UNHCR Private Sector Partnerships in MENA



During the event, six key action-points were identified to further maximize the impact of Islamic philanthropy in the humanitarian sector, particularly in education.

### **1 Increase collaboration between Islamic philanthropic institutions and humanitarian organizations to ensure a coordinated and effective response to education needs in crisis-affected communities.**

Partnerships contribute to mobilizing resources and exchanging best practices. They also promote the often-overlooked concepts of local ownership and sustainability, which are essential in delivering successful programs, particularly in education. By engaging with communities and building local capacity, humanitarian organizations can empower local Islamic philanthropic institutions and ensure that education initiatives are sustainable and tailored to local needs.

### **2 Embed best practices from the business spectrum in running Islamic philanthropy charities to maximize efficiency and impact.**

Throughout the event, speakers recurrently emphasized the importance of approaching philanthropy from a business perspective in terms of governance, best practices, and planning. In addition to providing vital financial resources, the private sector has the potential to contribute to this area by sharing expertise and fostering a culture of strategic thinking, Key Performance Indicators (KPIs), and comprehensive reporting within the humanitarian sector. Workshops and other capacity-building efforts could help to facilitate this endeavor.

## Islamic Philanthropy for Sustainable Impact

### **3 Adopt impact reporting to achieve sustainable impact at scale.**

Impact reporting is vital in Islamic philanthropy because it encourages transparency and accountability. In Islamic philanthropy, impact reporting goes beyond financial metrics to cover greater social, environmental, and ethical factors. It examines in-depth how finance is used to achieve specific goals in accordance with Islamic values. Robust impact reporting can also demonstrate the effectiveness of contributions, fostering trust and attracting more funding. Furthermore, impact reporting promotes learning, growth, and knowledge sharing among philanthropic organizations, contributing to the sector's overall development and ability to create sustainable impact at scale.

### **4 Increase the use of technology in humanitarian programs, from fundraising to distribution.**

The rapid advances in technology permeate all sectors. Hence, it is essential to leverage the potential of Islamic philanthropy to ensure that the humanitarian sector catch up by incorporating technology into its operations, upskilling personnel to be more technically savvy, and aligning with global trends to design effective programs. Integrating technology into humanitarian initiatives improves efficiency and transparency, decreases fraud and errors, boosts the mobilization of more resources, and ensures maximized impact.

In recognition of this, The Abdul Aziz Al Ghurair Refugee Education Fund requires its grantees to include a digital component in their projects to ensure that beneficiaries

(refugee youth) are equipped with the skills required to prepare for a highly digitalized world. For instance, the Fund collaborated with Digital Opportunity Trust Lebanon to offer certified courses in artificial intelligence, automation, programming, web analytics, and cyber security to improve youth's employability in the digital economy.

### **5 Encourage innovation in Islamic finance for humanitarian purposes.**

Innovation is critical in broadening the reach and impact of Islamic philanthropy by supplementing it through methods that make use of technology, social entrepreneurship, and strategic partnerships. Innovation in impact assessment and evaluation frameworks in Islamic charity also strengthens openness and accountability, ensuring that resources are spent efficiently for long-term development and social welfare. These advances in Islamic philanthropy allow individuals, communities, and organizations to have a long-term positive impact on society.

Some innovations include social impact bonds, Islamic microfinance initiatives, and crowdfunding platforms that connect individuals with charities that align with their values. For instance, in 2021, UNHCR launched the Refugee Zakat Fund app, the only UN app to give Zakat, which has been successful in gaining new supporters and funding. On the distribution side, mobile wallets in Iraq and ATM scan technology in Jordan have been used for cash assistance distribution and proved highly efficient in reducing fraud. UNHCR also launched a mobile application in Jordan, which connects refugees to donors, having direct report on impact from beneficiaries themselves.



## Islamic Philanthropy for Sustainable Impact

### 6 Be more strategic about contributing to the SDGs by realizing their interdependency.

The SDGs serve as a global agenda to foster a more sustainable and equitable future for all. Despite the collective efforts of governments, international organizations, and the private sector, a significant funding gap stands in the way of achieving the SDGs. According to the Islamic Development Bank, an annual funding of USD 5 trillion to USD 7 trillion is required<sup>7</sup>.

Islamic philanthropy has the potential to help bridge this gap by providing a source of funding and mobilizing resources for sustainable development initiatives. Zakat, for example, directly addresses the SDG target of poverty eradication (SDG1) by ensuring more equitable resource distribution (SDG10 & 16); Sadaqah aligns with the SDGs' call for collective action (SDG17) and individual responsibility to address global challenges; and Waqf can be used to support programs in education (SDG4), healthcare (SDG3), and infrastructure (SDG9).

A well-studied combination between traditional giving and strategic Islamic philanthropy can also support the progress towards a sustainable future. For example, the benefits of Quality Education (SDG4) can be maximized by strategically linking to other SDGs to achieve impact in multiple areas. Embracing the values-based approach of Islamic philanthropy to unlock new funding and develop synergies can accelerate progress and achieve a more equitable and sustainable society.

[UNHCR's Islamic philanthropy report](#) showcases in more detail how Islamic Philanthropy contributes to realizing the SDGs.



“The nexus model highlights the mutually reinforcing nature of the SDGs. As a humanitarian sector, it is imperative that we leverage this interconnectedness to amplify our impact by leveraging innovative solutions. I strongly urge other sectors, including the private sector and academia, to actively participate in this collaborative endeavor, pooling resources and expertise to create transformative solutions that positively impact the lives of those in need.”

Dr. Sonia Ben Jaafar  
CEO, the Abdulla Al Ghurair Foundation  
Chairperson to the Global Council on Sustainable Development Goals, UAE





## Conclusion

Islamic philanthropy, a powerful, yet underutilized, instrument for positive change, is critical in addressing social challenges and generating sustainable impact. Beyond financial contributions, it fosters a culture of generosity and compassion, promoting social responsibility, economic empowerment, and equity. To fully realize the potential of Islamic philanthropy, an outcome-driven and evidence-based approach rooted in strategic partnerships is essential.

This paper sought to highlight the role of Islamic philanthropy in the humanitarian sector. Based on insights from professionals in the education and philanthropy sectors, as well as models of Islamic philanthropy in three organizations, the paper presented 6 key action points to maximize the effectiveness of Islamic philanthropy in the humanitarian sector. The action points provide Islamic philanthropists with components they can consider as they work towards their shared goals of creating resilient communities and a sustainable future for all.





## Endnotes

<sup>1</sup> [UNHCR - Figures at a glance](#)

<sup>2</sup> [UNHCR - Global Report 2022](#)

<sup>3</sup> [World Zakat Forum: Optimizing funds to reduce poverty](#)

<sup>4</sup> [ZAWYA - Next generation charts new path towards strategic philanthropy](#)

<sup>5</sup> The following 8 groups are eligible for Zakat: (1) The poor- low-income or indigent; (2) The needy- someone who is in difficulty; (3) Zakat administrators; (4) New Muslims and friends of the Muslim community; (5) Those in bondage (slaves and captives); (6) The debt-ridden; (7) In the cause of God; (8) Those who are stranded or traveling with few resources. (The Eight Kinds of People Who Receive Zakat)

<sup>6</sup> The Sharia, derived from the Qur'an (the holy book of islam) and supplemented by Hadith and Sunna (the sayings of the Prophet and accounts of his deeds), encompasses the rules governing the Muslim society, guiding interactions between individuals, their relationship with God, and their engagement with things which are part of creation. (Introduction to Islam: An Online Text, Middle East Institute)

<sup>7</sup> [APIF annual report english 2020](#)