

**Webinar: Islamic Finance Talk Series:
Islamic Social Finance and Its Role in COVID-19 Recovery Planning
(26 July 2021)**

Mohammad Mahbubi Ali

The COVID-19 pandemic and its adverse impacts have sparked greater attention towards Islamic social finance and socially responsible investments (SRI). For instance, on 19 June 2020, the Islamic Development Bank (IDB) raised USD 1.5 billion with its Sustainability Sukuk to assist its 57 member countries in funding COVID-19-related measures and expenditures. On 22 September 2020, Malaysia issued the *Sukuk Prihatin*, raising to RM 500 million (approximately USD 121.5 million) to finance its economic stimulus packages and COVID-19 recovery plans. Indonesia also echoed this move by issuing a retail cash *waqf*-linked *Sukuk* on 19 October 2020 to finance its economic COVID-19 recovery plan. This was following the success of the issuance of the world's first sovereign cash *waqf*-linked *Sukuk* of IDR 50.8 billion (USD 3.46 billion) in March 2020.

To discuss further the role of Islamic finance in COVID-19 recovery planning, IAIS Malaysia organised its bimonthly *Islamic Finance Talk Series* (IFTS), featuring Dr Rifki Ismal who is currently the assistant secretary-general of the Islamic Financial Services Board (IFSB). The talk was moderated by Dr M Mahbubi Ali, Head of Economics, Finance, Awqaf and Zakat cum Associate Fellow at IAIS Malaysia.

In his presentation, Rifki started with an update on the impact of the pandemic on social and economic activities. He argued that the COVID-19 pandemic has created a severe adverse impact on many aspects of economic and finance. As a response, many governments across the globe introduced several fiscal, monetary, and financial stimulus packages to address the impact of the pandemic. These include an increase in budget for the health system, financial assistance to households, workers and social safety net, lowering benchmark rate, moratorium policy, and restructuring of financing.

Dr Rifki further shared that the COVID-19 pandemic offers an opportunity for Islamic finance to strengthen its value proposition as a 'responsible finance' industry—pursuing goals beyond profit; striving for a just and fair system; promoting brotherhood and cooperation, and developing a community-oriented and entrepreneur-friendly environment. In this regard, Islamic social finance instruments, such as *zakat*, *waqf* and *qard hasan* (benevolent loan), can be used to support both consumptive and productive economic activities, upgrade the status of *mustahik* and facilitate public facilities and needs.

In Indonesia, according to Rifki, Islamic social finance instruments are used to empower small and medium enterprises and Pondok Pesantren (Islamic boarding school) through various initiatives by Bank Indonesia and Badan Amil Zakat Nasional – National Zakat Agency (BAZNAS). For example, Bank Indonesia launched an initiative called *Rumah Amal Bank Indonesia “Berbagi”* using *zakat*, *infaq*, and *shadaqah* funds to financially assist COVID-19 high impacted economic sectors and to enhance the *halal* value chain via a link and match mechanism to meet the demand and supply of the real sectors. BAZNAS introduced a health emergency programme as well as social and economic programmes to assist those who are financially affected by the adverse impact of the COVID-19 pandemic.

**Webinar: ‘Poverty Porn’ vs. Misi Kebajikan dan Kemanusiaan:
Memperkasakan Integriti dan Professionalisme NGO Islam Bertaraf
Antarabangsa
(Poverty Porn vs. Charity and Humanitarian Mission:
Empowering Integrity and Professionalism to Establish a World-Class
Islamic NGO)
(5 August 2021)**

M. Fakhurrazi Ahmad

Natural catastrophes, wars, genocides, infectious diseases, and man-made disasters are all examples of common crises that result in human suffering, loss of life, infrastructure damage, homelessness, and poverty. These situations demand our concern and solidarity; therefore, humanitarian and charitable non-governmental organisations (NGOs) were founded to respond to crises, alleviate suffering, and provide assistance to those in need. However, contemporary challenges are facing the organisations, such as trust issues, mismanagement, inefficiency, and ‘poverty porn’—exploiting the poor and vulnerable to raise money for self-interest or committing fraud. A webinar was jointly organised by IAIS Malaysia and the Youth Committee of the National Dakwah Council to discuss the issues and strategies to promote integrity and professionalism in developing a world-class Islamic NGO. It was moderated by Associate Professor Dr Mohamed Azam Mohamed Adil, the Deputy CEO of IAIS Malaysia.

Mr Azhar Ab. Shukur, Chairman of EZ Group of Companies, emphasised that humanitarian missions and charities are more than just collecting donations and delivering aids; they require comprehensive strategic planning involving human resources and logistics administration, good marketing strategies,