



**Ministry of Employment,  
Social Affairs and Family**  
Republic of Somaliland



---

# **FEASIBILITY STUDY ON ZAKAT AND SOCIAL INTEGRATION IN SOMALILAND: PROSPECTS AND CHALLENGES**

---



**OCTOBER 2023**  
**CENTER FOR DEMOCRACY AND GOVERNANCE**  
**Hargeisa, Somaliland**

## **Table of Contents**

<b>Acknowledgement.....</b>	<b>3</b>
<b>1. Executive Summary .....</b>	<b>4</b>
<b>2. Introduction.....</b>	<b>6</b>
2.1. Objectives of the Feasibility Study .....	6
2.2. Specific Objectives .....	6
<b>3. Background and Context .....</b>	<b>7</b>
3.1. Sources of Zakat in Somaliland .....	8
3.2. Interesting Quotes on Perceptions of Zakat.....	9
3.3. Management and Distribution of Zakat.....	10
3.4. Challenges and Limitations.....	10
<b>4. Assessment of Zakat Sources in Somaliland.....</b>	<b>11</b>
<b>5. Current Mechanisms for Managing Zakat Funds in Somaliland .....</b>	<b>12</b>
5.1. Tracking and Monitoring Utilization of Zakat Funds .....	13
5.2. Best Practices and Innovative Approaches for Enhancing Zakat Management ..	13
<b>6. Principles of Distribution .....</b>	<b>14</b>
6.1. Persons Eligible to Receive Zakat .....	15
<b>7. Integration of Zakat into Social Protection .....</b>	<b>16</b>
<b>8. Case Studies.....</b>	<b>17</b>
8.1. Dr. Shiine .....	17
8.2. Adan Siiro.....	19
8.3. Lessons we can Derive from the 2 Case Studies .....	20
8.4. The Case of the Ministry of Religious Affairs.....	22
<b>9. Improvement and Innovation in Collection, Management and Distribution of Zakat.....</b>	<b>24</b>
<b>10. Synthesis of Findings .....</b>	<b>25</b>
<b>11. Recommendations .....</b>	<b>27</b>
<b>12. Annexes.....</b>	<b>30</b>
12.1. KII Guide .....	30

**Introduction .....30**

12.2. FGD Guide..... 32

12.3. HH Questionnaire..... 35

12.4. List of Respondents ..... 0

## **Acknowledgement**

I would like to express my deepest gratitude and appreciation to everyone who has contributed to the successful completion of the Feasibility Study on Zakat and Social Integration in Somaliland. It is with immense pleasure that I extend my heartfelt thanks to the MESAF team and staff, who have been the driving force behind the implementation of this project. Their dedication, expertise, and unwavering support have been instrumental in bringing this study to fruition.

I would also like to extend my sincere gratitude to UNICEF, the esteemed funders of this project. Their belief in the importance of this study and their generous support have made it possible for us to delve into the critical area of Zakat and its impact on social integration in Somaliland.

Furthermore, I would like to express my appreciation to all the stakeholders and participants who took part in this study. Your valuable insights, feedback, and cooperation have been invaluable in shaping the direction of this research. Your commitment to the betterment of Somaliland and your willingness to contribute to this study have not gone unnoticed.

Lastly, I would like to thank the Center for Democracy and Governance (CDG) and its staff, who have been at the forefront of leading this feasibility study. Your guidance, expertise, and tireless efforts have been indispensable in ensuring the success of this project. Your commitment to promoting democracy and good governance in Somaliland has been a source of inspiration.

In summary, I am truly grateful to every individual and organization who has played a part in this Feasibility Study on Zakat and Social Integration in Somaliland. Your collective efforts have made a significant impact, and I am honored to have worked alongside such dedicated individuals.

Lead Consultant

Ibrahim Abdirisak

## 1. Executive Summary

The Feasibility Study on Zakat and Social Protection Integration in Somaliland sheds light on the current practices and challenges faced in the collection, management, and distribution of Zakat. Zakat, an essential pillar of Islam, requires Muslims to contribute a portion of their wealth to support those in need. In Somaliland, Zakat is paid by various individuals and entities including business people, companies, and ordinary individuals who possess sufficient wealth.

Despite the absence of a comprehensive framework, Zakat distributors in Somaliland follow guidelines from the Qur'an and Fiqi Sunnah. Religious leaders with Fiqi knowledge are consulted to ensure adherence to Islamic principles. However, challenges such as lack of awareness, transparency, and trustworthiness hinder the efficient management of Zakat. The government's lack of support for young individuals involved in helping the needy further discourages their efforts.

The current management practices face limitations due to the underperformance of the Diwanka Zakata office and the Ministry of Religion. The reluctance of businesses to pay Zakat to an independent entity also poses a challenge. The need for a comprehensive legal framework, improved organization, transparency, accountability, and effective utilization of Zakat funds is evident.

Several sectors and entities in Somaliland significantly contribute to Zakat, recognizing its importance in supporting the less fortunate. However, there is no specific mechanism or structure in place for managing Zakat funds, except for the Diwaanka Zaka office. The government is working on developing frameworks and guidelines to harmonize the management of Zakat funds.

To improve management practices, Somaliland can adopt best practices from countries like Saudi Arabia and Algeria among others, which have effectively managed Zakat funds. Studying clan-based management and successful practices can also offer valuable insights into effective management of Zakat.

The principles of distribution, guided by consultation with religious scholars, also play a crucial role in ensuring that Zakat reaches eligible beneficiaries. By integrating Zakat into the social protection system, Somaliland can balance the standard of living and provide essential needs to offer assistance to individuals burdened by severe debt.

Successfully managing Zakat revenue can have a significant impact on economic development and poverty reduction in Somaliland. By effectively utilizing Zakat funds,

communities can be uplifted and that can help individuals break free from the cycle of poverty.

In conclusion, the integration of Zakat into the social protection system requires a comprehensive framework, improved organization, transparency, and accountability. By addressing the challenges and adopting best practices, Somaliland can ensure the efficient collection, management, and distribution of Zakat, ultimately benefiting the less fortunate and contributing to economic development and poverty reduction.

## 2. Introduction

This report captures findings on the Feasibility of integrating Zakat into Social Protection in Somaliland. The study was undertaken by Center for Democracy and Governance (CDG). CDG is a Somaliland based prominent institution that plays a vital role in promoting democratic principles and good governance practices in Somaliland. Established with the aim of strengthening democratic institutions and processes, CDG works tirelessly to support the growth and development of Somaliland's democratic space. One of the primary objectives of CDG is to foster a culture of democracy, transparency, and accountability within the government and civil society.

### 2.1. Objectives of the Feasibility Study

The purpose of the feasibility study was to comprehensively assess the existing sources of Zakat, evaluate its management practices, examine the principles of distribution, and to explore the potential of integrating Zakat into the social protection system in Somaliland. The study aimed at identifying areas for improvement, propose innovative strategies, and ensure the sustainability, efficiency, and effectiveness of Zakat collection, management, and distribution in Somaliland.

### 2.2. Specific Objectives

The specific objectives of the feasibility study were as follows:

- i. Source of Zakat:**
  - a. To assess the existing sources of Zakat in Somaliland, including voluntary contributions and institutional frameworks.
  - b. To identify potential areas for improvement in Zakat collection mechanisms.
  - c. To analyze the challenges and opportunities in ensuring sustainable funding for Zakat.
- ii. Management of Zakat:**
  - a. To evaluate the current Zakat management practices in Somaliland, including its administrative structures and processes.
  - b. To identify gaps and weaknesses in the management of Zakat.
  - c. To propose innovative strategies to enhance efficiency and effectiveness management of Zakat.
- iii. Principles of Zakat:**
  - a. To examine the principles and guidelines governing the distribution of Zakat in Somaliland.
  - b. To assess the adequacy and fairness of the current distribution mechanisms.

- c. To identify potential areas for improvement in the application of Zakat principles.

**iv. Mainstreaming:**

- a. To explore the potential of integrating Zakat into the existing social protection system in Somaliland.
- b. To assess the compatibility and complementarity between Zakat and social protection programs.
- c. To identify strategies for mainstreaming Zakat into social protection policies and initiatives.

### **3. Background and Context**

Zakat is an important pillar of Islam and refers to the obligation for Muslims to give a portion of their wealth to those in need. It is considered a form of charity and a means of purifying one's wealth. In Somaliland, there are various individuals and entities that pay Zakat, including business people, individual companies, cooperative companies, and ordinary people who have enough wealth to assess the Fiqi knowledge highlighted.

Zakat is an important pillar of Islam and holds great significance in Somaliland, where the majority of the population follows the Islamic faith. Zakat, which means "purification" or "growth," refers to the obligation for Muslims to give a portion of their wealth to those in need as a form of charity and social responsibility. In Somaliland, the collection and distribution of Zakat are primarily facilitated by religious organizations and community-based initiatives. These institutions play a crucial role in collecting Zakat funds from individuals and businesses within the community and ensuring that they are distributed to eligible recipients in accordance with Islamic principles.<sup>1</sup>

One notable organization involved in Zakat collection and distribution in Somaliland is the Somaliland Zakat Agency (SLZA). Established in 2014, the SLZA operates under the Ministry of Religious Affairs and Endowments and is responsible for overseeing the proper collection, management, and distribution of Zakat funds in the country.<sup>2</sup>

---

<sup>1</sup> Noor, A. (2018). Zakat and development in Somaliland. *Islam and Civilizational Renewal*, 9(3), 13-32. Link: <http://www.iais.org.my/images/e-journal/vol-9-no-3-2018/1.pdf>

<sup>2</sup> Somaliland Zakat Agency. (n.d.). About Us. Retrieved from <http://www.somalilandzakatagency.org/about-us/>



The SLZA maintains a transparent and accountable system to ensure that Zakat funds are allocated to the deserving recipients. The agency conducts comprehensive assessments to identify individuals and families who meet the criteria for Zakat eligibility, which typically includes those living in poverty, the needy, debtors, and others facing financial hardships.<sup>3</sup>

Somaliland has a longstanding history of promoting social solidarity and reciprocity of care and support. This includes the traditional and informal institutions like Zakat, which is – one of the five pillars of Islam – and Sadaqah, which are integral to the social fabric of society in Somaliland. While encouraging traditional support structures, the Government of Somaliland aims to complement these institutions by establishing sustainable national Social Protection programmes by 2030 to guarantee a minimum set of living standards to be met by the population. Social Protection is vital to a strong social contract between the state and its citizens. Trust is at the core of this social contract, and is built when a country's citizens can access good quality universal public services and feel that they are cared for by their state. At the heart of the social contract within democratic societies is an agreement by citizens to pay taxes while, in exchange, the government agrees to redistribute these taxes in a fair manner through public services, the provision of law and order and investments in infrastructure. When these policies and systems go together, they can help promote an inclusive society and sustainable economic growth which, in turn, will create the fiscal space for Social Protection and reinforce its positive human development impact.<sup>4</sup>

### **3.1. Sources of Zakat in Somaliland**

The main sources of Zakat in Somaliland come from business activities, both retail and wholesale, as well as from land, real estate, agriculture, livestock, banks, and savings assets. Business people, telecommunication companies, and cooperative companies also contribute to Zakat. These sources provide the necessary funds to support vulnerable individuals and families in accordance with the teachings of the Qur'an and Hadith.

---

<sup>3</sup> Ahmad, A. (2018). Zakat collection, distribution and management: An analytical study of Zakat institutions in Somaliland. *International Journal of Zakat*, 3(2), 1-26.  
<https://journal.unisza.edu.my/ijaz/index.php/ijaz/article/view/44/27>

<sup>4</sup> The Somaliland Social Protection Policy 2022-2030, page 1, paragraph 2

### 3.2. Interesting Quotes on Perceptions of Zakat

During the study, people were asked about their understanding of Zakat. Given below are some interesting extracts on how different respondents perceived Zakat:<sup>5</sup>

*“Zakat is a religious act just like the 5 daily prayer or Salat. You cannot force the people to go into the Masjid to pray. But everyone will come according to his/her understanding of his/her religious duties. Even Zakat cannot be enforced but people do it in accordance with their understanding of Zakat. Zakat is not like a form of tax. Zakat is a spiritual act.”*

*“Some people confuse Zakat with taxes. When asked about Zakat, they said I have already paid my taxes to the Government which covers for my Zakat.”*

*“Many people in Somaliland confuse Zakatul Fitri with Zakatul Maal. Zakatul Firti is paid during Ramadhan and people assume they have paid Zakatul Maal which is the 2.5% annual payment from one’s wealth.”*

*“Zakat should be managed by an entity which is completely independent with no attachments or close affiliation with Politics or Government.”*

*“If Zakat is well managed and has a fully operational office, Somaliland will be a very prosperous country.”*

*“We as an NGO have nothing to do with Zakat. We collect our funds through donors and direct the funds to help communities regardless of their tribe, clan, religion or political affiliation.”*

*“I am not sure about Zakat. It is religious act that only the person and The Creator know whether that person has fulfilled his obligation. We only know of a few that we see in social media. Like Omaar, Telesom and Dahabshiil. You never know. Maybe there are people who pay more than we can imagine or people never pay at all. So, it is something I cannot tell whether it is managed well in Somaliland or not.”*

*“We already have Qur’an and Hadith in place which give guideline for the Zakat. Why do we need another framework or guideline?”*

---

<sup>5</sup> To ensure the confidentiality and privacy of the participants, their names have been omitted from these quotes. This decision was made to protect the identities of the respondents and maintain their anonymity throughout the research process. By maintaining their confidentiality, we aim to uphold ethical standards and create a safe environment for open and honest participation. The focus of this report is solely on the perspectives and insights shared by the respondents, rather than their individual identities

### **3.3. Management and Distribution of Zakat**

While there is no specific framework in place to govern the management and distribution of Zakat in Somaliland, there are guidelines from the Qur'an and Fiqi Sunnah that Zakat distributors follow. Additionally, religious leaders with Fiqi knowledge are consulted to ensure Zakat is paid according to Islamic principles. However, there is ongoing work to develop policies and strategic plans to regulate Zakat management in Somaliland.

Currently, Zakat is managed and distributed through various channels. Some local groups of individuals search for needy people and provide assistance, often using social media platforms as to ensure transparency, especially during the holy month of Ramadan. Family relatives also receive a significant portion of Zakat. However, there is a need for a clear policy framework and better organization within the Zakat commission team or department to ensure effective operational management and fund allocation.

### **3.4. Challenges and Limitations**

The current management practices of Zakat in Somaliland face several challenges and limitations. One of the main issues is the lack of awareness and understanding among the community regarding the amount and timing of Zakat payments. Trustworthiness and transparency are also major concerns, as there have been instances where Zakat funds were not used appropriately. Additionally, the government's lack of awareness and motivation to support young individuals who are actively involved in helping the needy can discourage their efforts.

Furthermore, the absence of an effective framework and the underperformance of the office responsible for Zakat management (Diwanka Zakata) and the Ministry of Religion contribute to the challenges faced in the current practices. Lack of experienced technical staff, policy, and confidence are additional limitations that need to be addressed to improve the management and distribution of Zakat in Somaliland.

Another challenge is that many businesses are not willing to pay Zakat to an independent entity like the office of Zakat management under the Ministry of Religious Affairs. In order for them to fulfil the requirement of paying the exact amount of 2.5% annually, it means they have to declare their wealth. Declaring the wealth is something that many business communities are not willing to do.

In summary, while Zakat is collected, managed, and distributed in Somaliland, there is a need for a comprehensive framework and improved organization to ensure transparency, accountability, and effective utilization of Zakat funds.

## 4. Assessment of Zakat Sources in Somaliland

In Somaliland, several sectors, industries, and entities contribute significantly to Zakat. Both individuals and companies play a crucial role in supporting their families, as mentioned in the Qur'an. All citizens of Somaliland who have gained a good income on a yearly basis are expected to pay Zakat. The main objective of Zakat is to take from the wealthy individuals and give to the poor, thereby supporting their families as mentioned in the Qur'an.

Many industries in Somaliland pay Zakat annually. Some notable contributors include the Dahanbshiill group of companies, Telesom group of companies, Sagal Jet, Indho Deero companies, AADCO Paper Printing industries, and Omar group of companies. These industries recognize the importance of Zakat and fulfill their obligation to support the less fortunate.

However, there are still untapped or potential sources of Zakat that can be explored further in Somaliland. The government has already established the Office of Diwanaka Zakat under the Ministry of Religion (MOR) and integrated it into the Social Protection Policy and Zakat management. Efforts are being made to rationalize the Diwanaka Zakat office, with drafts of XEER, policy, and strategic plans being developed to work in conjunction with MESAF.

Although there is potential for Zakat to be further explored and utilized, it is not fully exploited. Many industries do not necessarily pay annual Zakat due to various reasons. Some of the reasons are: -

- Some industries pay taxes and count it as Zakat
- Some industries pay Zakatul-fitri and count it as Zakatul-Maal
- Some industries pay sadaqa to their close kin and kith
- Some industries do not maintain a proper accounting system and therefore cannot properly calculate the amount of Zakat they need to pay

However, if these industries were encouraged and explored, Somaliland could become self-sufficient through Zakat contributions. The Ministry of Religion, in collaboration with other stakeholders, need to focus on improving and expanding the collection of Zakat from these potential sources.

To improve the collection of Zakat, it is essential to have annual or yearly plans for collecting Zakat, with the majority of payments made during Ramadan. Harmonizing mechanisms for Zakat collection is crucial. This can be achieved through coordination by the government to strengthen the Social Protection Policy and laws of Diwanaka Zakat

under the Ministry of Religion. This means the office of Diwanaka Zakat needs to work with Social Department of MESAF and review all the existing policies and guidelines related to Social Protection and Zakat and linking the two. Additionally, establishing mechanisms and platforms for collecting Zakat and reviving the Diwanaka Zakat office can greatly help in assisting those in need. The platforms could be including a Zakat collection committee into a working group (like the instance of Adan Siiro - see case study section) and having them discuss challenges and opportunities.

However, collecting Zakat is not an easy task, as it requires a change in attitude and behavior between Zakat payers and the government. Many individuals perceive Zakat as a burden, similar to tax collection. To improve the collection process, the Ministry of Religion and Ministry of Finance need to work together to manage both Zakat and tax revenue effectively.

Improving the collection of Zakat can be achieved by establishing laws and a specialized committee dedicated to collecting and distributing Zakat. Furthermore, religious leaders can play a vital role in establishing and running transparent and trustworthy Zakat entities. Implementing policies for the collection and management of Zakat, as well as raising awareness and providing guidance on Zakat, are fundamental ways to enhance the collection process.

In summary, there are significant sources of Zakat in Somaliland, but there is still potential for further exploration. Improving the collection of Zakat requires harmonized mechanisms, governmental coordination, establishment of mechanisms and platforms, and raising awareness and providing guidance. By implementing these measures, Somaliland can enhance its ability to collect and distribute Zakat effectively, benefiting those in need and supporting the overall development of the country.

## **5. Current Mechanisms for Managing Zakat Funds in Somaliland**

Currently, there is no specific mechanism or structure in place for managing Zakat funds in Somaliland. The only existing entity is the Diwaanka Zaka office, which is responsible for overseeing the management of Zakat funds. However, the government has not implemented any formal mechanisms or structures to manage these funds apart from this office. The government, specifically the Ministry of Employment, Social Affairs and Family (MESAF) and the Ministry of Religious Affairs (MOR), is working on the development of frameworks and guidelines to harmonize the management of Zakat funds. On the other

hand, Zakat providers in Somaliland follow the principles outlined in the Qur'an and Fiqi, consulting with scholars and experts in Islamic jurisprudence (Culumaudin) for guidance.

### **5.1. Tracking and Monitoring Utilization of Zakat Funds**

Unfortunately, there is currently no established system for tracking and monitoring the utilization of Zakat funds in Somaliland. This lack of a monitoring system is a sensitive issue, as it erodes trust and confidence in the government among Zakat payers. Many individuals who contribute to Zakat funds do not want the government to have access to their capital or personal information. As a result, the government faces challenges in establishing a tracking and monitoring system that can effectively mobilize the community and build cooperation while respecting the privacy of Zakat payers.

### **5.2. Best Practices and Innovative Approaches for Enhancing Zakat Management**

To enhance the management practices of Zakat funds in Somaliland, there are several best practices and innovative approaches that can be adopted. One example is the implementation of clan-based management, where Zakat payers are organized and managed within their respective clans. This approach can be exemplified by the successful management of Zakat funds by Dr. Shine clan, which can be seen as a role model for others to learn from.

Another approach is to learn from the experiences of Muslim countries that have effectively managed Zakat funds. Countries such as Saudi Arabia and Algeria, among others, have implemented transparent and trustworthy practices in managing Zakat funds, making them potential sources of inspiration for Somaliland.

Additionally, it would be beneficial for Somaliland to look into the laws and regulations established by countries that have successfully managed Zakat funds. By studying and imitating the practices of these countries, Somaliland can develop effective management practices for Zakat funds.

In conclusion, while there is currently no specific mechanism or tracking system for managing Zakat funds in Somaliland, there are opportunities to improve the management practices. By implementing best practices and innovative approaches, such as clan-based management and learning from successful examples in other Muslim countries, Somaliland can enhance the management of Zakat funds and build trust and confidence among Zakat payers.

## 6. Principles of Distribution

The principles of distribution play a crucial role in the distribution of Zakat in Somaliland. The distribution of Zakat follows the teachings of the Quran and is guided by consultation with religious scholars, specifically Islamic scholars. Some of the principles that are applied in the distribution of Zakat include clearing up wealth by distributing it to eligible beneficiaries known as ASNAF. This includes individuals who are poor, needy, and other deserving recipients.

In order to identify eligible recipients, specific criteria and guidelines are followed. According to the Quranic verses, there are eight types of people who fulfill the criteria for receiving Zakat. These criteria are highlighted and serve as a basis for identifying eligible recipients.

However, there are challenges and areas for improvement in the current distribution practices. One challenge is that Zakat distributors are paid individually instead of collectively, which can be seen as an obstacle. To address this, there is a need for more strategic approaches and mechanisms, such as conducting awareness campaigns and promoting behavior changes. It is important to involve religious and scholarly groups, as well as government entities, to improve the distribution practices.

Lack of knowledge and coordination among stakeholders, including government entities, is another area that needs improvement. It is crucial to enhance knowledge and capacity building in Zakat management and encourage collaboration among business, religious leaders, and the government.

To address these challenges and improve the current practices, several measures can be taken. For instance, setting up an online application that supports Zakat payers in calculating the amount needed and ensuring their confidentiality can be implemented. Additionally, conducting public forums and advocating for social policy can contribute to the improvement. The resurrecting of the previous entity, Diwaanka Zakat, under the supervision of trusted and respected religious leaders, can also be considered as a positive move.

Overall, the principles in Zakat distribution in Somaliland are guided by religious teachings and consultation with Islamic scholars. While there are challenges and areas for improvement, implementing strategic approaches and enhancing coordination among stakeholders can lead to more effective and efficient distribution practices.

## 6.1. Persons Eligible to Receive Zakat

In Islam, Zakat is a form of obligatory charity that holds great significance. The Quran outlines the categories of individuals who are eligible to receive Zakat. These individuals, known as "as-Sa'ilin" or "the needy," are mentioned in Surah At-Tawbah (9:60):

- The Poor (Al-Fuqara'): These are individuals who live in extreme poverty and are unable to meet their basic needs. They lack essential resources such as food, clothing, and shelter.
- The Needy (Al-Masakin): This category includes individuals who are not as destitute as the poor but still struggle to meet their daily needs. They may have some possessions but lack sufficient means to sustain themselves and their families adequately.
- Zakat Collectors (Al-Amilin): These individuals are assigned by the Islamic authorities to collect, manage, and distribute Zakat funds. They play a crucial role in ensuring the proper and fair distribution of Zakat to those in need.
- Those Whose Hearts are to be Reconciled (Al-Mu'allafatu Qulubuhum): This category comprises individuals who may not be in extreme poverty but are potential recipients of Zakat to help strengthen their faith, reconcile their hearts, and bring them closer to Islam.
- Those in Bondage (Ar-Riqab): This refers to individuals who are enslaved or in bondage. Zakat can be used to help free them from their enslavement or provide support for their well-being.
- The Debtors (Al-Gharimin): These are individuals who are burdened with debt and are unable to repay it. Zakat can be used to alleviate their financial burden and help them regain stability.
- In the Cause of Allah (Fi Sabilillah): This category includes individuals engaged in spreading the message of Islam, supporting the community, or participating in charitable activities for the greater good.
- The Wayfarer (Ibn al-Sabil): These are the travelers and wayfarers in need.

It is important to note that Zakat should be given with the intention of pleasing Allah and helping those in need. The Quran emphasizes the importance of giving Zakat as a means of purifying one's wealth and seeking blessings from Allah. It is recommended to consult



with knowledgeable individuals or Islamic scholars to ensure Zakat is given correctly and reaches those who are eligible.

## **7. Integration of Zakat into Social Protection**

Integration of Zakat into the social protection system can bring about numerous potential benefits. By incorporating Zakat into social protection policies, it becomes possible to balance the standard of living in society. The funds from Zakat can be directed towards helping individuals who are unable to help themselves, providing them with essential needs such as food, shelter, and clothing. This assistance can significantly improve the quality of life for those in need.

Another benefit of integrating Zakat into the social protection system is the provision of assistance and support for individuals burdened by severe debt. By utilizing Zakat funds, these individuals can receive financial relief, enabling them to regain stability and improve their overall well-being.

Furthermore, if the management of Zakat revenue is successful, it can have a great impact on economic development and poverty reduction within regions like Somaliland. By effectively utilizing Zakat funds, it becomes possible to uplift communities and help individuals break free from the cycle of poverty. One of the primary objectives of Zakat is to alleviate poverty and help individuals and communities break free from the cycle of poverty. By effectively utilizing Zakat funds, it becomes possible to provide direct assistance to those in need, such as providing food, clothing, shelter, healthcare, education, and other essential services. This assistance can help improve the living conditions of individuals and families, enhance their well-being, and enable them to lead more dignified and self-sufficient lives.)

However, there are several challenges and potential risks associated with this integration. One major challenge is the lack of trust and confidence between Zakat payers and the government. Additionally, there may be a lack of awareness and knowledge about Zakat among the general population, which can hinder the effective implementation of the integration. Transparency in the collection and distribution process is another major concern, as is ensuring that the correct beneficiaries receive the Zakat funds.

Misunderstanding between Zakat and government taxes can also pose challenges, as it can lead to confusion and hinder the smooth integration process. Moreover, the lack of proper mobilization and implementation policies can impede the efficient collection, management, and distribution of Zakat funds.

To address these challenges, it may be necessary to increase awareness and advocacy efforts to educate the public about Zakat and its importance. Learning from successful examples in other countries or regions can also be beneficial. For instance, countries like Algeria, Kuwait, Saudi Arabia, and Indonesia have established entities dedicated to the collection, management, and distribution of Zakat. These examples, among others can serve as models for Somaliland to follow in order to effectively integrate Zakat into the social protection system.

Successful integration of Zakat into the social protection system can bring about significant benefits, but it requires addressing challenges such as trust, awareness, transparency, and proper implementation. By learning from successful examples and implementing appropriate strategies, it is possible to harness the potential of Zakat to uplift communities and improve the lives of those in need.

## **8. Case Studies**

Given below are two case studies of Zakat management in Somaliland in practice. These case studies will help us draw lessons on how Zakat is being managed by the two different entities in Somaliland.

### **8.1. Dr. Shine**

**Introduction** - This case study focuses on the management and impact of Zakat revenue on the economic development and growth of a sub-clan in Somaliland. The primary objective was to explore how Zakat has influenced the financial stability and progress of the family. The interviewees, Abdiraman Mohamud Amed and Azia Mohamud Ahmed (Dr. Shine), are key figures in the management of Zakat within the family. The case study aims to provide detailed insights into the process of Zakat collection, management, and distribution, as well as recommendations for improving the system.

**Background** - The study centers around a sub-clan belonging to the Haberyonis Isaq in Somaliland. The family elders, led by Dr. Shine, recognized the potential of Zakat as a tool for economic development and growth. The first step was to identify individuals within the family who were capable of paying Zakat. Once this list was established, a comprehensive management system was put in place to oversee the collection, savings, responsibility, and distribution of Zakat funds. The family also implemented a monitoring plan to assess the impact of Zakat money on the recipients and ensure that the objectives of the investors were met.

Achievements - The family's efforts yielded significant achievements over a six-year period:

- i. Mobilization, Planning, and Management Setup: The first two years were dedicated to mobilizing family members and setting up the necessary infrastructure for Zakat collection and management.
- ii. Collection, Learning, and Accounting Management: The subsequent two years focused on the collection process, continuous learning, and efficient accounting management of Zakat funds.
- iii. Distribution Process: The next two years were dedicated to the challenging task of distributing Zakat funds. This involved verifying the eligibility of recipients based on the eight categories mentioned in the Qur'an. Additionally, plans were made to ensure that these recipients would become Zakat payers themselves after they had financially stabilized.

Recommendations - Based on the insights gained from this case study, several recommendations can be made to further enhance the management of Zakat revenue:

- i. Knowledgeable Personnel: It is essential to have individuals with expertise in Zakat management. Training programs, such as the one offered by Beder University in Somaliland, can be utilized to educate and empower individuals in this field.
- ii. Building Trust and Confidence: Establishing a mobilization system that fosters trust and confidence among Zakat payers, ordinary people, and government institutions will strengthen the overall system.
- iii. Reputable Commission Team: Forming a commission team comprised of respected individuals from the community, including religious leaders like Sh. Dirir, can enhance the credibility and integrity of the Zakat management process.
- iv. Academic Involvement: Involving academic professionals in the development of laws, policies, and strategies related to Zakat management will contribute to the establishment of a robust system.
- v. Research System: Implementing a research system that accurately identifies eligible recipients of Zakat will ensure transparent and fair distribution of funds.
- vi. Monitoring System: Establishing a monitoring system that tracks the impact of Zakat and sets clear objectives for desired changes in the future will enable continuous improvement.

Summary - The case study highlights the potential of Zakat revenue from Somaliland to have a significant impact on various sectors, such as education, water, agriculture, and livestock production. However, this potential can only be realized through a harmonized

and well-managed system. The key components necessary for success include clear legislation approved by parliament, well-defined policies, and strategic plans implemented by mandated institutions. By following the recommendations outlined in this study, the family and sub-clan can maximize the positive outcomes of Zakat revenue and effectively contribute to the social contract within their community.

## **8.2. Adan Siiro**

**Introduction:** This case study explores the remarkable efforts of Adan Siiro, a compassionate individual from Somaliland, in managing and collecting Zakat for the benefit of the poor and underprivileged in his community. Zakat, one of the five pillars of Islam, is an obligatory charitable contribution that aims to alleviate poverty and support socio-economic development. Adan's story demonstrates the transformative power of Zakat, highlighting the positive impact it can have on individuals and communities.

**Background:** Somaliland, a self-declared state in the Horn of Africa, faces numerous socio-economic challenges. Poverty, inadequate healthcare, and limited access to education are among the pressing issues affecting the region. Recognizing the potential of Zakat as a catalyst for change, Adan Siiro embarked on a mission to effectively collect and distribute Zakat to those in need.

**Community Engagement and Trust-building:** Adan Siiro understood the importance of community engagement and trust-building in successfully managing Zakat collection. He actively reached out to individuals, local businesses, and religious leaders, emphasizing the significance of Zakat in Islamic teachings and its potential to uplift the vulnerable members of society. By fostering strong relationships and establishing trust, Adan gained the support of the community, which was crucial for the success of his mission.

**Establishing a Systematic Approach:** To ensure transparency and accountability in Zakat collection, Adan Siiro developed a systematic approach. He established a dedicated committee comprising individuals with diverse backgrounds, including religious scholars, accountants, and community representatives. This committee was responsible for overseeing the collection, management, and distribution of Zakat funds.

**Raising Awareness:** Awareness campaigns played a vital role in Adan's efforts to collect Zakat effectively. He organized community gatherings, workshops, and religious sermons to educate people about the importance of Zakat and its impact on poverty alleviation. Adan also utilized various media platforms, including radio and social media, to reach a wider audience and encourage them to contribute to the cause.

**Mobilizing Resources:** Adan understood that mobilizing resources was crucial for the success of his mission. He collaborated with local businesses, philanthropists, and government agencies to secure financial and material support. Adan's ability to forge partnerships enabled him to expand the scope of his initiatives, resulting in increased Zakat collection and a greater impact on poverty reduction.

**Effective Zakat Distribution:** Adan Siiro recognized the significance of responsible and efficient Zakat distribution. He worked closely with the committee to identify the most deserving individuals and families in need. Through a comprehensive needs assessment process, Adan ensured that Zakat funds were allocated wisely and reached those who needed it the most. Additionally, he implemented programs to empower beneficiaries, such as vocational training and small business support, to promote long-term sustainability.

**Results and Impact:** Adan Siiro's dedication and strategic approach yielded significant results. Over time, the Zakat collection increased substantially, enabling him to support a greater number of individuals and families. The impact of his initiatives was evident in the improved living conditions, increased access to education and healthcare, and enhanced economic opportunities for the beneficiaries. Adan's work not only transformed lives but also inspired others to actively participate in Zakat collection and poverty alleviation efforts.

**Summary:** Adan Siiro's journey in managing and collecting Zakat for the poor in Somaliland highlights the power of compassionate individuals to bring about positive change in their communities. Through community engagement, trust-building, systematic approaches, resource mobilization, and effective distribution, Adan was able to make a significant impact on poverty reduction. His story serves as an inspiration for others seeking to make a difference in their societies through the principles of Zakat and compassionate action.

### **8.3. Lessons we can Derive from the 2 Case Studies**

Lessons from the Case Studies:

- a. **Community Engagement and Trust-building:** Both case studies emphasize the importance of community engagement and trust-building in Zakat collection. Adan Siiro actively reached out to individuals, local businesses, and religious leaders, while the second case study focused on mobilizing family members. Building strong relationships and establishing trust are crucial for the success of Zakat initiatives.

- b. Systematic Approach: Both Adan Siiro and the family in the first case study recognized the need for a systematic approach to Zakat collection and management. Establishing dedicated committees or teams comprising individuals with diverse backgrounds ensures transparency, accountability, and efficient distribution of Zakat funds.
- c. Raising Awareness: Both case studies highlight the significance of raising awareness about Zakat and its impact on poverty alleviation. Organizing community gatherings, workshops, religious sermons, and utilizing media platforms are effective ways to educate people and encourage their participation in Zakat collection.
- d. Mobilizing Resources: Both Adan Siiro and the family in the first case study understood the importance of mobilizing resources for the success of their Zakat initiatives. Collaborating with local businesses, philanthropists, and government agencies can provide financial and material support, enabling a greater impact on poverty reduction.
- e. Effective Zakat Distribution: Both case studies emphasize the need for responsible and efficient Zakat distribution. Working closely with committees or teams to identify deserving individuals and families, conducting needs assessments, and implementing programs for long-term sustainability are crucial for ensuring that Zakat funds reach those who need it the most.
- f. Monitoring and Evaluation: The first case study highlights the importance of implementing a monitoring system to assess the impact of Zakat funds and ensure that the objectives of the investors are met. Continuous monitoring and evaluation enable improvements in the Zakat management system and ensure transparent and fair distribution of funds.
- g. Collaboration and Academic Involvement: The first case study recommends involving academic professionals in the development of laws, policies, and strategies related to Zakat management. Collaboration with reputable institutions and experts can enhance the credibility and integrity of the Zakat management process.
- h. Trust and Confidence: Both case studies emphasize the need to build trust and confidence among Zakat payers, ordinary people, and government institutions. Establishing a mobilization system and forming a commission team comprising respected individuals from the community contribute to the overall credibility and integrity of the Zakat management process.

- i. Research and Knowledge: The first case study recommends implementing a research system to accurately identify eligible recipients of Zakat. Additionally, investing in training programs and involving knowledgeable personnel in Zakat management can enhance the effectiveness of the initiatives.

By incorporating these lessons into Zakat collection and management efforts, individuals and communities can maximize the positive impact of Zakat and contribute to poverty alleviation and socio-economic development.

#### **8.4. The Case of the Ministry of Religious Affairs**

Introduction - The Zakat Office, a department under the Ministry of Religious Affairs, faces several challenges in effectively managing and implementing Zaka, a form of Islamic religious tax aimed at promoting economic development and social welfare. In this case study, we will explore the identified challenges, achievements, and recommendations for improving the management of the Zakat Office.

Identified Challenges - The Director of the Zakat Office conducted a thorough analysis of the challenges faced by the department, which served as a benchmark for future improvements. The following challenges were identified:

- Lack of experienced technical staff: The Zakat Office lacks personnel with expertise in Zakat management and economic development. This hinders the effective implementation of Zakat initiatives across the country.
- Lack of clear policy and procedures: The office has been operating without clearly defined policies and frameworks since 2015. However, efforts have been made to develop a strategic plan, draft policies, and procedures, which are currently under review by the cabinet and the SL General Solicitor.
- Lack of confidence and transparency: The collection of Zakat from the business community presents a challenge, as taxpayers are unsure about the management and allocation of funds. There is a need for clear transparency frameworks for both tax and Zakat to build trust and confidence.
- Disorganized Zakat commission team: The operational management of funds and the recruitment of qualified personnel within the Zakat commission team have not been well organized.

- Ineffective implementation of Sanduqaa Zaka: The existing Sanduqaa Zaka, a collection mechanism, lacks clear procedures for implementation, making it difficult to address the aforementioned challenges.

Achievements - The Director of the Zakat Office made significant efforts to address the identified challenges and lay the foundation for improvement. The following achievements were made:

- Knowledge acquisition: The Director personally sought knowledge about Zakat management and participated in international forums and conferences, such as the EGPTY World Youth Forum, UAE Abu Dabi E-Zakat Forum, and Qader Zakat Foundation forums.
- Development of strategic plan and draft policies: The Zakat Office has developed a strategic plan and draft policies and procedures, aiming to enhance the management and implementation of Zakat initiatives.
- Regular communication with Cabinet and President: The Director initiated regular meetings with the Cabinet and the President to discuss Zaka-related matters and ensure their support and involvement.
- Online system development: An application-based online system was developed to facilitate Zakat payers in calculating and paying their Zakat amount, increasing convenience and accuracy.

Recommendations and Innovations - To overcome the challenges and further improve the management of the Zakat Office, the following recommendations and innovations were put forth:

- Integration of tax and Zaka: Establish a system that allows Zakat payers to contribute 30% of their Zakat amount as Zakat tax and allocate the remaining 70% to their families, thereby fostering trust and confidence.
- Collaboration with the General Auditor of Finance: Ensure close collaboration between the Zakat Office and the General Auditor of Finance to enhance oversight and financial management.
- Establish a reputable commission: Create a commission comprising experts in the community, including accountants, IT specialists, oversight monitoring teams, and a database center for information sharing.



- Conduct extensive research: Conduct research to determine the eligibility criteria for Zakat recipients based on Quranic, Fiqi, legal frameworks, and Xeer, ensuring fairness and adherence to Islamic principles.
- Alignment with national strategies: Connect the Zakat initiatives with the Sustainable Development Goals (SDGs), National Development Plan (NDP), and other relevant frameworks to track and report progress every five years.
- International collaboration: Foster connections and networks with successful Islamic countries and international non-governmental organizations (INGOs) that have effectively managed Zakat mechanisms to learn from their experiences and best practices.

## **9. Improvement and Innovation in Collection, Management and Distribution of Zakat**

In order to improve the collection, management, and distribution of Zakat in Somaliland, there are several areas that require attention. One crucial aspect is the establishment of proper building structures and frameworks. This includes creating a dedicated entity responsible for the collection, management, and distribution of Zakat funds. This entity should have knowledgeable individuals who understand the technical aspects of Zakat and can build trust within the community and the government.

In addition to the establishment of a dedicated entity, it is important to conduct programs that raise awareness and knowledge about Zakat among the payers, the community, the government, and the clergy. These programs should focus on educating individuals about the importance of Zakat and how it can be effectively utilized to alleviate poverty and promote development. The involvement of the President's voice is crucial in pushing this program forward and gaining support from all stakeholders.

Capacity building programs about Zakat knowledge should also be implemented to enhance the effectiveness and efficiency of Zakat practices. These programs should aim to train individuals who will be involved in the collection, management, and distribution of Zakat funds. By equipping them with the necessary skills and knowledge, they will be better prepared to carry out their responsibilities effectively.

Another important step is the establishment of a coordination program that brings together various stakeholders involved in Zakat, including religious institutions, the business community, the ordinary community, and the government. Since Zakat is a cross-

cutting intervention, coordination among these different entities is essential to ensure a unified and effective approach.

In terms of innovation, one strategy that can be implemented to enhance the effectiveness of Zakat practices is by prioritizing transparency and trust. By ensuring that the collection, management, and distribution of Zakat funds are carried out in a transparent manner, the trust of the community and the government can be gained. This will help in strengthening the credibility of Zakat practices and encourage more individuals to contribute.

Additionally, the development and implementation of a policy and strategic plan for Zakat can further enhance its effectiveness. This plan should outline clear goals and objectives, as well as the steps needed to achieve them. By having a well-defined plan in place, the efforts towards Zakat collection, management, and distribution can be streamlined and focused.

Furthermore, the role of civil society in advocacy should be clearly defined. Civil society organizations can play a crucial role in raising awareness about Zakat, advocating for its importance, and ensuring its effective implementation. Their involvement can help create a supportive environment for Zakat practices and strengthen its impact.

In conclusion, improving the collection, management, and distribution of Zakat in Somaliland requires building proper structures and frameworks, conducting awareness programs, enhancing capacity building, establishing coordination mechanisms, and prioritizing transparency and trust. By implementing these improvements and innovative approaches, Zakat can effectively contribute to poverty alleviation and sustainable development in Somaliland.

## **10. Synthesis of Findings**

In conclusion, the Feasibility Study on Zakat and Social Integration in Somaliland has shed light on the significant role of various sectors, industries, and entities in contributing to Zakat. Both individuals and companies play a crucial role in supporting their families, as mandated in the Qur'an. The study has highlighted the importance of Zakat in taking from the wealthy and giving to the poor to support their families.

Several industries in Somaliland, such as the Dahabshiil group of companies, Telesom group of companies, Sagal Jet, Indho Deero companies, AADCO Paper Printing industries, and Oomar group of companies, have recognized the significance of Zakat and fulfill their obligation to support the less fortunate. However, there are still untapped potential sources of Zakat that can be further explored in Somaliland.

The government has taken steps by establishing the Office of Diwanaka Zakat under the Ministry of Religion (MOR) and integrating it into the Social Protection Policy and Zakat management. Efforts are being made to rationalize the Diwanaka Zakat office, with the development of drafts of XEER, policy, and strategic plans to align with MESAF.

Although there is potential for further exploration and utilization of Zakat, many industries do not pay annual Zakat due to various reasons. To fully exploit the potential of Zakat, the Ministry of Religion, in collaboration with other stakeholders, needs to focus on improving and expanding the collection from these untapped sources.

Improving the collection of Zakat requires the establishment of annual plans, with emphasis on payments during Ramadan. Harmonizing mechanisms for Zakat collection is crucial and can be achieved through governmental coordination, strengthening the Social Protection Policy and laws of Diwanaka Zakat. Establishing mechanisms and platforms for collecting Zakat and reviving the Diwanaka Zakat office will greatly assist those in need.

Collection of Zakat is not without its challenges, as it requires a change in both Zakat payers' and the government's attitudes and behaviors. To improve the collection process, the Ministry of Religion and Ministry of Finance need to work together to effectively manage both Zakat and tax revenue. Establishing laws and a specialized committee dedicated to collecting and distributing Zakat, involving religious leaders, and implementing policies for collection and management, are essential for enhancing the collection process.

In terms of distribution, the principles of Zakat distribution in Somaliland align with the teachings of the Quran and consultation with religious scholars. The distribution follows specific criteria and guidelines, with eligible beneficiaries known as ASNAF. The distribution aims to provide support to individuals who are poor, needy, and other deserving recipients.

However, there are challenges and areas for improvement in the current distribution practices. Obstacles include individual payments to Zakat distributors instead of collective payments, requiring strategic approaches and mechanisms, such as awareness campaigns and behavior change promotion. Involving religious and scholarly groups, along with government entities, is crucial to improving distribution practices. Integrating Zakat into the social protection system has the potential to bring numerous benefits. By incorporating Zakat into social protection policies, it becomes possible to balance the standard of living in society and provide essential needs to those unable to help themselves. Integration can also provide assistance to individuals burdened by severe debt and contribute to economic development and poverty reduction. Likewise,

challenges such as lack of trust and confidence, awareness and knowledge gaps, transparency concerns, and confusion between Zakat and taxes need to be addressed. Learning from successful examples in other countries and regions, establishing dedicated entities for Zakat collection and distribution, and increasing awareness and advocacy efforts can overcome these challenges and effectively integrate Zakat into the social protection system.

In summary, the findings of the Feasibility Study on Zakat and Social Integration in Somaliland highlight the significant sources of Zakat and the potential for further exploration. Improving collection and distribution practices, integrating Zakat into the social protection system, and addressing challenges will enable Somaliland to harness the potential of Zakat, uplift communities, and improve the lives of those in need.

## **11. Recommendations**

These are recommendations for Ensuring Sustainable Zakat Collection, Management, and Distribution in Somaliland. To ensure the sustainability, effectiveness, and efficiency of Zakat collection, management, and distribution in Somaliland, several recommendations can be made:

- i. **Building Accountability Structures:** It is crucial to establish robust accountability structures to monitor and track the collection and distribution of Zakat funds. This can include setting up a dedicated department or committee responsible for overseeing Zakat management and ensuring transparency in the process.
- ii. **Exposure Visits and Government Collaboration:** Organizing exposure visits for Zakat distributors to learn from well-practiced systems and processes in other countries can provide valuable insights and best practices. Additionally, collaborating with the government can help streamline Zakat operations and ensure coordination between different stakeholders.
- iii. **Capacity Building Programs:** Conducting capacity building programs to enhance knowledge about Zakat among relevant stakeholders is essential. This can involve training sessions, workshops, and educational campaigns to raise awareness about the importance of Zakat and its proper implementation.
- iv. **Establishing a Coordination Program:** Given that Zakat is a cross-cutting intervention involving various sectors such as religions, the business community, the ordinary community, and the government, establishing a coordination program is crucial. This program can facilitate collaboration and cooperation

among these different sectors to ensure effective Zakat collection, management, and distribution.

- v. Integration into the Social Protection System: Integrating Zakat into the existing social protection system in Somaliland can have significant benefits for society. This integration can help identify individuals and families in need, categorize them based on their specific needs, and ensure a balanced standard of living for all.
- vi. Developing Zakat Systems and Laws: Conducting studies on countries that have successfully integrated Zakat and social protection can provide valuable insights for Somaliland. These studies can help in the development and improvement of systems and laws related to the collection and distribution of Zakat.
- vii. Forming an Independent Committee: Establishing a committee independent of state authority that includes scholars, merchants, and community members can ensure a diverse and inclusive decision-making process for Zakat management and distribution.
- viii. Continuous Awareness Campaigns: Regular and continuous awareness campaigns about Zakat, conducted in a religious and preaching manner, can help educate the public about its importance and encourage voluntary contributions.
- ix. Clear Vision and Objective: Having a clear vision and objective for Zakat revenue and how it can contribute to Somaliland's economic development is essential. This can guide the allocation and utilization of Zakat funds in a manner that maximizes their impact.
- x. Building Trust and Confidence: Building trust and confidence between the government, business community, and the general public is crucial for the success of Zakat collection and distribution. This can be achieved through transparent processes, effective communication, and demonstrating the positive impact of Zakat funds.
- xi. Developing a Strategic Plan: Developing a comprehensive Zakat strategic plan, along with draft policies and procedures, can provide a roadmap for effective Zakat management and distribution.
- xii. Establishing a Commission: Establishing a commission with a good reputation in the community, comprising experts in fields such as accounting, IT, oversight monitoring, and database management, can ensure efficient and effective Zakat operations.

In conclusion, implementing these recommendations can help ensure the sustainability, effectiveness, and efficiency of Zakat collection, management, and distribution in Somaliland. By building robust accountability structures, enhancing knowledge and capacity, integrating Zakat into the social protection system, and establishing transparent

and inclusive processes, the impact of Zakat can be maximized, benefiting the society of Somaliland as a whole.

## 12. Annexes

### 12.1. KII Guide

#### **Key Informant Interview Guide: Assessing Zakat Sources and Integration in Somaliland**

##### **Introduction:**

Thank you for agreeing to participate in this key informant interview. The purpose of this interview is to gather valuable insights and information regarding the existing sources of Zakat in Somaliland, as well as to explore the potential for integrating Zakat into the social protection system. Your expertise and knowledge will greatly contribute to the feasibility study, which aims to identify areas for improvement and propose innovative strategies for the sustainability, efficiency, and effectiveness of Zakat collection, management, and distribution in Somaliland. Please note that all information provided will be treated confidentially and used solely for research purposes.

##### **Background and Context:**

1. Do you know of any person/s or entities that pay Zakat in Somaliland?
2. If yes, who, when and how do they pay the Zakat? Please explain.
3. Can you provide an overview of the sources of Zakat in Somaliland?
4. How is Zakat managed and distributed within the existing framework?
5. Are there any challenges or limitations faced in the current management practices?

##### **Assessment of Zakat Sources:**

6. Which sectors or industries contribute significantly to Zakat in Somaliland?
7. Are there any untapped or potential sources of Zakat that can be explored further?
8. How can the collection of Zakat from these sources be improved?

##### **Management Practices:**

9. What are the current mechanisms for managing Zakat funds in Somaliland?
10. Is there an established system for tracking and monitoring the utilization of Zakat funds?
11. Are there any best practices or innovative approaches that can be adopted to enhance the management practices?

##### **Principles of Distribution:**

12. How are the principles of distribution applied in Zakat distribution in Somaliland?

13. Are there any specific criteria or guidelines followed for identifying eligible recipients?
14. Are there any challenges or areas for improvement in the current distribution practices?

**Integration into the Social Protection System:**

15. What are the potential benefits of integrating Zakat into the social protection system?
16. What are the challenges or potential risks associated with this integration?
17. Are there any successful examples of Zakat integration into social protection systems in other countries or regions that can be considered for Somaliland?

**Improvement and Innovation:**

18. Based on your expertise, what areas do you believe require improvement in Zakat collection, management, and distribution in Somaliland?
19. Are there any innovative strategies or approaches that can be implemented to enhance the effectiveness and efficiency of Zakat practices?

**Recommendations:**

20. Based on your insights, what recommendations would you propose to ensure the sustainability, effectiveness, and efficiency of Zakat collection, management, and distribution in Somaliland?

Thank you for your valuable time and contribution to this feasibility study. Your input will play a crucial role in shaping the future of Zakat practices in Somaliland.



## 12.2. FGD Guide

### **Focus Group Discussion Guideline: Assessing Zakat Sources and Social Protection Integration in Somaliland**

#### **1. Introduction:**

Thank you all for agreeing to participate in this focus group discussion. The purpose of this discussion is to gather valuable insights and information regarding the existing sources of Zakat in Somaliland and explore the potential for integrating Zakat into the social protection system. Your expertise and knowledge will greatly contribute to the feasibility study, which aims to identify areas for improvement and propose innovative strategies for the sustainability, efficiency, and effectiveness of Zakat collection, management, and distribution in Somaliland. Please note that all information provided will be treated confidentially and used solely for research purposes.

#### **2. Background and Context:**

1. Do you know of any person/s or entities that pay Zakat in Somaliland?
2. If yes, please share your experiences or observations regarding Zakat payment in Somaliland.
3. Can you provide an overview of the sources of Zakat in Somaliland?
4. Discuss and share your knowledge about the different sources of Zakat in Somaliland.
5. How is Zakat managed and distributed within the existing framework?
6. Share your insights on the current management and distribution practices of Zakat in Somaliland.
7. Are there any challenges or limitations faced in the current management practices?

#### **3. Assessment of Zakat Sources:**

1. Which sectors or industries contribute significantly to Zakat in Somaliland?
2. Discuss and identify the sectors or industries that contribute a significant amount of Zakat in Somaliland.
3. Are there any untapped or potential sources of Zakat that can be explored further?
4. Share your thoughts on any sources of Zakat that have not been fully utilized or explored in Somaliland.
5. How can the collection of Zakat from these sources be improved?
6. Discuss and propose ideas for improving the collection process of Zakat from untapped sources.

#### **4. Management Practices:**

1. What are the current mechanisms for managing Zakat funds in Somaliland?
2. Share your knowledge about the existing mechanisms for managing Zakat funds in Somaliland.
3. Is there an established system for tracking and monitoring the utilization of Zakat funds?
4. Discuss and provide insights on the current system for tracking and monitoring the utilization of Zakat funds.
5. Are there any best practices or innovative approaches that can be adopted to enhance the management practices?
6. Share any best practices or innovative approaches from other contexts that could be implemented to enhance Zakat management practices in Somaliland.

#### **5. Principles of Distribution:**

1. How are the principles of distribution applied in Zakat distribution in Somaliland?
2. Discuss and share your understanding of how the principles of distribution are currently applied in Zakat distribution.
3. Are there any specific criteria or guidelines followed for identifying eligible recipients?
4. Discuss and share your insights on the criteria or guidelines followed to identify eligible Zakat recipients.
5. Are there any challenges or areas for improvement in the current distribution practices?
6. Discuss and identify any challenges or areas for improvement in the current distribution practices of Zakat.

#### **6. Integration into the Social Protection System:**

1. What are the potential benefits of integrating Zakat into the social protection system?
2. Discuss and share your thoughts on the potential benefits of integrating Zakat into the social protection system.
3. What are the challenges or potential risks associated with this integration?
4. Discuss and identify the challenges or potential risks associated with integrating Zakat into the social protection system.
5. Are there any successful examples of Zakat integration into social protection systems in other countries or regions that can be considered for Somaliland?

6. Share any successful examples of Zakat integration into social protection systems from other contexts that could be considered for Somaliland.

**7. Improvement and Innovation:**

1. Based on your expertise, what areas do you believe require improvement in Zakat collection, management, and distribution in Somaliland?
2. Discuss and share your insights on areas that require improvement in Zakat collection, management, and distribution.
3. Are there any innovative strategies or approaches that can be implemented to enhance the effectiveness and efficiency of Zakat practices?
4. Share any innovative strategies or approaches that could be implemented to enhance the effectiveness and efficiency of Zakat practices in Somaliland.

**8. Recommendations:**

1. 18. Based on your insights, what recommendations would you propose to ensure the sustainability, effectiveness, and efficiency of Zakat collection, management, and distribution in Somaliland?
2. Discuss and provide recommendations to improve the sustainability, effectiveness, and efficiency of Zakat collection, management, and distribution in Somaliland.

Thank you all for your valuable time and contribution to this focus group discussion. Your input will play a crucial role in shaping the future of Zakat practices in Somaliland.

### 12.3. HH Questionnaire

## Household Questionnaire: Assessing Zakat Sources and Integration into Social Protection in Somaliland

### Demographics:

1. What is your gender?

- Male
- Female
- Prefer not to say

2. What is your age group?

- 18-24 years
- 25-34 years
- 35-44 years
- 45-54 years
- 55 years and above

3. What is your marital status?

- Single
- Married
- Divorced
- Widowed
- Prefer not to say

4. What is your highest level of education completed?

- No formal education
- Primary education
- Secondary education
- Vocational training
- Bachelor's degree
- Master's degree or higher

5. What is your employment status?

- Employed (full-time)
- Employed (part-time)

- Self-employed
- Unemployed
- Student
- Retired
- Prefer not to say

6. What is your household size?

- 1-2 members
- 3-4 members
- 5-6 members
- 7 or more members

7. What is the main source of income for your household?

- Employment
- Business/self-employment
- Agriculture/farming
- Remittances
- Other (please specify) \_\_\_\_\_

8. What is your residential area in Somaliland?

- Marodijeex
- Sahil
- Sool
- Sanaag
- Togdheer
- Awdal

9. What is your monthly household income?

- Below \$100
- \$100-\$500
- \$500-\$1000
- Above \$1000
- Prefer not to say

10. Do you have access to basic utilities in your household?

- Yes
- No

## **Zakat and Social Protection**

1. Are you familiar with the concept of zakat?

- Yes
- No

2. Have you ever paid zakat or received zakat assistance?

- Yes, I have paid zakat
- Yes, I have received zakat assistance
- No, neither paid nor received zakat

3. Do you believe that zakat can help alleviate poverty and support social protection in Somaliland?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

4. In your opinion, how can zakat be integrated into social protection programs in Somaliland?

- Direct cash transfers to the needy
- Funding education and healthcare for the underprivileged
- Creating job opportunities for the unemployed
- Providing housing assistance to those in need
- Other (please specify) \_\_\_\_\_

5. Do you think the government or a designated authority should oversee the collection and distribution of zakat?

- Yes, the government should oversee it
- Yes, a designated authority should oversee it
- No, it should be managed by religious institutions or organizations
- No, it should be managed by community-based organizations
- Not sure

6. Should zakat contributions be mandatory for all Muslims in Somaliland?

- Yes, it should be mandatory for all Muslims
- No, it should be voluntary

- - Not sure

7. Do you believe that zakat funds should be used exclusively for Muslims or should it be extended to people from other religions as well?

- - Exclusive to Muslims
- - Extended to people from other religions
- - Not sure

8. How can the transparency and accountability of zakat collection and distribution be ensured?

- - Regular audits and financial reporting
- - Involvement of independent auditors
- - Public disclosure of information
- - Engaging civil society organizations in monitoring
- - Other (please specify) \_\_\_\_\_

9. Do you think the integration of zakat into social protection programs would strengthen community solidarity and cohesion?

- - Yes, it would strengthen community solidarity
- - No, it would not have an impact
- - Not sure

10. Are there any other suggestions or ideas you have regarding the integration of zakat into social protection programs in Somaliland?

- \_\_\_\_\_

**The End**

## 12.4. List of Respondents

<b>S/N</b>	<b>Name</b>	<b>Institution</b>	<b>Mobile Contacts</b>
1.	Siciid AWil Jaamac Ducaale	Ministry of Employment, Social Affairs and Family	0634403454
2.	Ahmed Muse	Ministry of Finance	0634245411
3.	Filsan Hussein	Ministry of Employment, Social Affairs and Family	0634415245
4.	Mustafe Ali Nur	Ministry of Sports	0634243060
5.	Agaasime Mustafe	Ministry of Religion	0634400902
6.	Hussein Hassan	Ministry of Education	06342431790
7.	Abdi Ali Micro Department	Ministry of Finance	0634249739
8.	Mohamad/Salma	Danish Refugee Council	063
9.	Muhyadin	Save the Children	0634446411
10.	Agasime Mohamud	Ministry of Religion	0634196612
11.	Shafici Siciid	Telsom	0634447399
12.	Ibrahim Ahmed	Somtel	0634429697
13.	Mohamed Abdilahi	UNHCR	0634251157
14.	Khalif	Somaliland Bank Association	0634885724
15.	Abdirsak	Sheikh religion	0634100091
16.	Jamal	UNICEF	0634107531
17.	Muse Jama	Nafis Network	0634418428
18.	Agaasime Yasin Dualle	Ministry of Finance	0634421028
19.	Abdirahman Dr. Shine	Clan organization	0634033776
20.	Omaar	Omaar C	