

Building a Picture of
MUSLIM PHILANTHROPY
in the UK Context: The
Scope of Existing Data

Professor Cathy Pharoah

REPORT
Global Challenges Research Fund, UK | 2018-2019

Part 2 of a 2 part study on Knowledge Sharing,
Muslim Philanthropy and the Wider State of Data

Academy
of
Philanthropy
FOSTERING PURPOSEFUL LEADERSHIP



Building a picture of Muslim philanthropy in the UK foundation context: The scope of existing data

Professor Cathy Pharoah

Centre for Charitable Giving and Philanthropy,

Cass Business School,

City, University of London

Part 2 of a 2 part study on knowledge sharing,

Muslim Philanthropy and the wider state of data.

March 2020

Acknowledgements

I would like to thank my colleagues Professor Jenny Harrow, Cass Business School and Dr Yunus Sola, Academy of Philanthropy and Global Donors Forum of the World Congress of Muslim Philanthropy for their contribution to this project. It forms a part of research supported by the UK Government's 'Global Challenges Research Fund', 2018-2019, and carried out by a collaboration between the Academy of Philanthropy of the World Congress of Muslim Philanthropists and the Centre for Charitable Giving and Philanthropy, Cass Business School, City, University of London.

I would also like to thank Dr Catherine Walker, The Researchery, who provided initial help in compiling the foundations' database. Finally I am extremely grateful to Iqbal Nasim and Rizwan Yusoof, National Zakat Foundation, and Dr Atif Imtiaz, Muslim Charities Forum, for their interest in and advice on the work. The views expressed in the report are entirely the author's responsibility.

Professor Cathy Pharoah, CGAP
March 2020

Muslim philanthropy in the UK foundation context – the wider state of data

Executive summary

There is growing interest in the place and potential of Muslim philanthropy in addressing major global challenges, an area on which there is limited published data and research. This report forms part of a twin-stranded study of knowledge-sharing amongst grant-making foundations working in a Muslim context. Its objective is to assess the wider state of data by exploring what can be learned from existing information sources. It complements a more narrowly-focussed study of knowledge-sharing amongst grant-making foundations situated in Jordan and Palestine (West Bank) which support youth development¹.

The UK was chosen for the study of the state of data both because of its system of regulatory annual foundation reporting, and because of its track record in foundation research. There is little precedent for this work, so initially an exploratory and inclusive approach to the definition of Muslim philanthropy has been taken.

Key Findings

- Drawing on data in UK charities' mandatory published annual reports it was possible to compile an outline map of larger foundations and other organisations working in the context of Muslim philanthropy.
- A list of 30 larger foundations and other grant-making charities was identified, with combined grants of £161 million, spending of £272 million, and total funds of £383 million, with social investments of at least £25 million.
- This group of foundations reflected the same diversity of income source, modes of operating and philanthropic mission found in the wider UK foundation picture.
- A distinctive characteristic was a strong international emphasis on the humanitarian needs of communities suffering from poverty or conflict across the globe, Muslim and non-Muslim, which was found in almost three-quarters of the foundations.
- A fast-growing group of foundations with a specific UK focus in their grant-making is emerging.

¹ This research is funded by the UK government's 'Global Challenges Research Fund', 2018-2019, and carried out by a collaboration between the Academy of Philanthropy of the World Congress of Muslim Philanthropists and the Centre for Charitable Giving and Philanthropy, Cass Business School, City, University of London.

- An infrastructure for foundations and charities working in the context of Muslim philanthropy is being developed, which is tackling issues specific to this group.
- There was a higher dependence on fundraising from local communities than is found in the wider UK foundation picture, and a strong relationship of shared values and beliefs between foundations and donors.
- Tackling deprivation and conflict through better educational and employment opportunities, particularly amongst young people is a priority.
- These foundations face particularly demanding challenges of risk, compliance, governance and access because of their global reach.
- Local, national and international partnerships are a key feature of the way in which foundations deal with challenges, and success often depends on them.
- Knowledge and experience is highly valued and shared between foundations working in particular fields, and this could potentially be shared more widely with other UK foundations concerned about global inequalities.
- Further knowledge-sharing could also potentially help address challenges such as risk-taking, working with new partners, effectiveness and promoting UK donor interest and engagement.

1 Introduction

1.1 Background to the research

Globalism has brought greater awareness of the multi-cultural dimensions of philanthropy, and growing interest in the place of, and potential for Muslim philanthropy in addressing major national and international challenges. It has been widely recognised that knowledge building and sharing are crucial elements in strengthening foundation accountability, creativity and effectiveness², but while Muslim philanthropy appears to be developing a stronger voice³, there is limited data and research.

This project looked specifically at the wider state of knowledge on foundations in the context of Muslim philanthropy, and what is available from existing data sources. How far can an evidence platform be built and knowledge shared? How far can we meet the growing data needs of foundation stakeholders in Muslim or other contexts, such as:-

- donor, foundation and policy demands for research evidence on foundation impact and effectiveness, particularly in the face of escalating pressure on resources
- policy interest in scoping how, how much and where philanthropic foundations can contribute to public welfare, as governments globally retrench public expenditure;
- public demands for greater foundation transparency and accountability, arising from an era of corporate failure and the undermining of trust in public institutions;
- a growing culture of 'open data' amidst fast-growing IT, phone and web-based technology which makes capturing and sharing data increasingly possible.

The specific perspective taken for this study is UK-registered charitable foundations working in the context of Muslim philanthropy, but the approach taken is equally applicable to studying foundations in other contexts, and has been used for this.⁴

This project is the second part of a two part study, the focus of which is knowledge sharing among foundations in Muslim philanthropy contexts, broadly understood; knowledge sharing's contribution to foundations' achievement of their goals; and to the wider state of data on Muslim philanthropy in development settings. Part one of the study explored the nature and direction of knowledge sharing in local foundations in Jordan and Palestine (West Bank) . Here, findings showed that local foundations, whilst uninvited to share their knowledge and learning with international donor organisations working locally, had a series of links with UK foundations. These ranged from a 'parent' foundation in the UK, through global membership association (through community foundations), to an impending formal partnership with a UK foundation, from which it was hoped that learning would be derived.

² See Note 1

³ For example, special features *Alliance* magazine <https://www.alliancemagazine.org/magazine/issue/march-2018/> and <https://www.alliancemagazine.org/region/middle-east/>

⁴ For example, the Environmental Funders' Network study of foundation funding for environmental issues <https://www.greenfunders.org/>; CGAP's study of foundation funding for journalism https://journalismfundersforum.com/uploads/downloads/iff_london_report.pdf

In this first study's discussion of 'next steps' for enhancing knowledge sharing, the possibility of furthering transnational foundation learning in the field of development was raised. It was appropriate therefore to examine also the position of relevant foundations in the UK, which provides a particularly suitable focus for assessing the wider state of data. Firstly Muslim philanthropy has become a well-established part of UK philanthropy as a result of its diverse population.⁵ Secondly, the UK, along with the US, is at the leading edge of reporting and publishing data on philanthropic organisations. Technology-based examples in the UK include the UK charity regulators' open web portals for online access to charities' annual accounts and web-sites⁶, and the emergent *360 Giving* facility for mapping grants.⁷

Thus, whilst the findings of this report stand in their own right, it is intended explicitly to complement the study of knowledge sharing in Jordanian and Palestinian foundations; by contributing to discussion on how far evidence platforms can be built and knowledge shared, globally and locally. It should be emphasised that the purposes of this report are purely exploratory and descriptive. It is not within its remit to evaluate any of the foundations or initiatives described. The main aim of the study is to review and mine existing sources of data, and contribute to a platform for developing knowledge and transparency further. It is also important to recognise that while the focus of this report is on foundations working within explicitly Muslim contexts of different kinds, many other UK foundations provide support for the same or similar activities and organisations within their grant-making programmes.

⁵ Khimji, A (2014) A Survey of Charitable Giving in the British Muslim Community. Cause4 <https://www.cause4.co.uk/home/wp-content/uploads/2014/12/Cause4-A-Survey-of-Charitable-Giving-in-the-British-Muslim-Community-December-2014.pdf>

⁶ For England and Wales see <https://www.gov.uk/government/organisations/charity-commission>; Scotland <https://www.oscr.org.uk/about-oscr/about-oscr/>; Northern Ireland <https://www.charitycommissionni.org.uk/>

⁷ 360 Giving is an open web-based platform for foundations to enter, share and scrutinise grant-making data

1.2 Summary of Research Method (see Appendix for full details)

Use of existing data and approaches The research draws primarily on the data on trustees, mission, finances, programmes and grants in the Annual Reports submitted to the Charity Commission for England and Wales by registered UK charities. It used the methodology of a well-established tradition of UK foundation research⁸, adapted as appropriate to the Muslim context. Limitations exist, for example, where Muslim philanthropic contexts could not be identified.

Defining foundation Existing UK research defines foundations as *'independent philanthropic organisations which achieve their mission mainly through funding others'*. These are not straightforward to identify. Unlike the US, all UK charities have the same registration and there is no objective way to identify a 'grant-making foundation'. Therefore for the purposes of research relevant foundations were selected from the Charity Commission database using established criteria:

- devoting the majority of spending to making grants (sometimes called donations)
- income from almost solely private, philanthropic sources (incl. endowments)
- principally working through grant-making and not operating or providing direct services
- not set up principally to support a single institution/beneficiary or narrow cause eg *religious schools of a particular faith, narrow geographic areas like a small town.*
- largest by value of grants.

UK Grant-making in a Muslim context Two special features of grant-making in the context of UK Muslim philanthropy led to the adaptation of criteria for inclusion in this study. Foundations emerged as more likely to combine grant-making with direct services than in the wider UK foundation population, and the large element of international activity meant that many service-providing charities operate mainly through grant-making to overseas partners. For these reasons, a more flexible approach to the balance between these two modes of operating was taken than in the UK research when selecting the sample of grant-makers.⁹

Muslim philanthropy An appropriate definition for 'Muslim philanthropy' is challenging. Action for the 'public good' is a legal condition of UK charitable registration, but Siddiqui¹⁰ points out that this *'definition excludes religious duty to give which is involuntary, and would exclude zakat which is required as one of the five pillars of the faith..(and) generosity that is primarily inspired by obligation to God rather than the public good.'* Moreover, Muslim philanthropy can encompass faith, cultural, community or geographic contexts as well as donors, staff, beneficiaries. It was therefore decided to follow the inclusive definition used¹¹ for the Muslim Philanthropy Digital Library, which was geographic, cultural and not only faith-based though might be 'faith-expressive'. Open keyword searches using *'Muslim', 'Islam', 'makes grants to organisations/ individuals'* were carried out on the Charity Commission's database of charity names, objects or activities. To keep the study manageable, a further condition was annual income around £500k. This yielded a list of UK foundations, some of which received zakat. Some, though not all, state in their annual reports that their philanthropic mission is inspired by and embedded in their faith, as seen in UK foundations established within other faiths.

⁸ Pharoah et al. *Foundation Giving Trends* (incorporating *Family Foundation Giving*), Editions 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018. Cass Business School, Association of Charitable Foundations, Pears Foundation.

⁹ While the focus is on grant-makers, it is recognised that the 1000- 2000 mosques in the UK⁹ are vital hubs for Muslim philanthropy. <https://fullfact.org/news/Muslims-uk-viral-poster-factchecked/>

¹⁰ Siddiqui, Shariq. (2018) 'Research into Muslim philanthropy faces entrenched hurdles but has potential to illuminate the sector'. <https://www.alliancemagazine.org/region/middle-east/>

¹¹ El Taraboulsi, S. (2015) *Muslim Philanthropy And The Production Of Space: The Muslim Philanthropy Digital Library Case*

2 Findings – the scope of UK foundations working in the context of Muslim philanthropy

2.1 Overview of scale

The research established the value of mining existing data sources for looking at the Muslim foundation sub-sector, with a trawl of regulatory and web sources successfully eliciting a list of 30 foundations which make grants working directly in the context of Muslim philanthropy, and producing some headline data.

Summary of financial results 2017/18

Total grant-making	£161 million
Total expenditure	£272 million
Total Income	£288 million
Total funds	£383 million
Social Investment	£25 million

Share of grant-making by foundations working in Muslim context

- grants spending by foundations and other principally grant-making charities is equal to around 5.6 % of UK grant-making foundations generally, or 6.2% if the giant Wellcome Trust is excluded from the data;
- given that the Muslim population represents 4.4% of the UK population¹² this finding suggests that grant-making in a Muslim context is well-represented within UK grant-making, though it represents only a part of total Muslim philanthropy in the UK.

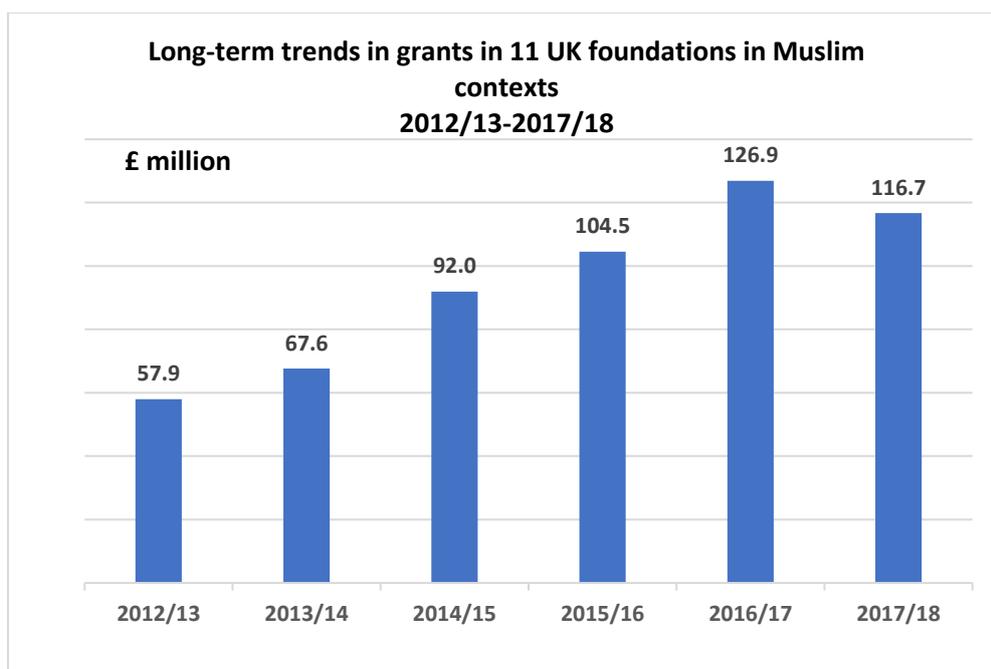
(Notes: a small amount of government funding is included in the spending of a couple of foundations in the list, as in the wider UK foundation research.)

Rapid growth trends

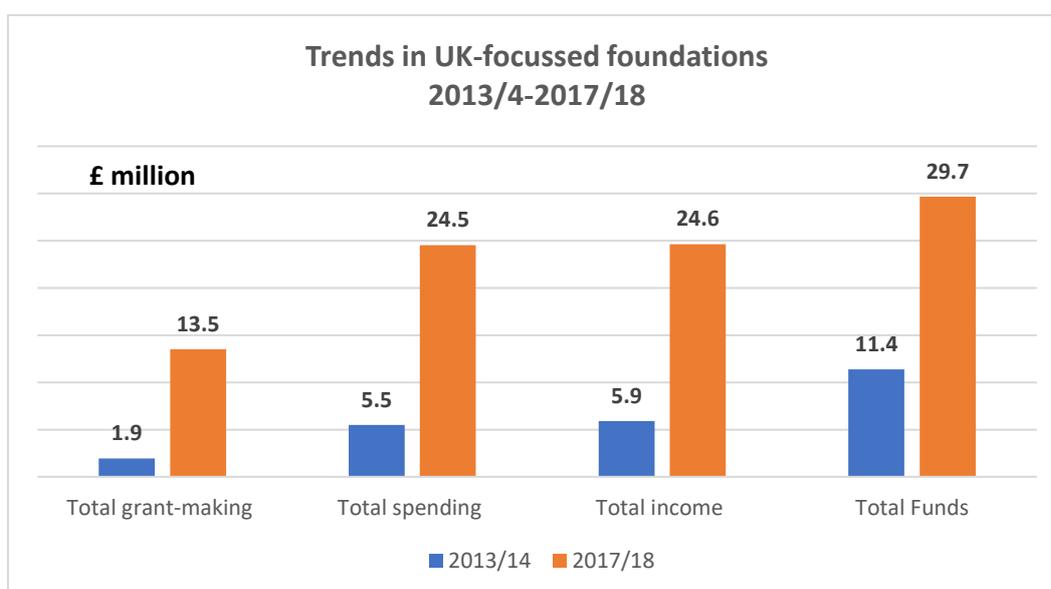
As this is the first study of its kind in the UK there is little data on trends in the finances of UK foundations working in the context of Muslim philanthropy. One available source, however, is the data on the small sub-sample of foundations (11) which are included in the UK's *Foundation Giving Trends* series.¹³ Extrapolating six years of data reveals that the inflation-adjusted value of grant-making in the Muslim sub-sample steadily increased up to 2016/17, though not in the most recent year. The graph below shows that grants virtually doubled across the period, due both to existing foundation growth and new entrants to the table.

¹² Pharoah et al (2017) *Foundation Giving Trends*. CGAP/ ACF/ Pears Foundation

¹³ Pharoah et al, *ibid*



UK-focussed grant-making foundations As the report will show, there is a strong emphasis on international grant-making in the sample as a whole, but the evidence of particularly rapid growth in an emerging group of foundations which are solely or mainly UK-focussed in their grant-making should be highlighted. The fairly recent emergence of some of these foundations meant it was not possible to track growth across the group earlier than 2013/14, but the graph shows that amongst those included in this report (8) grant-making increased six-fold in real terms between this 2013/14 and 2017/18. There were related large increases in total income, spending and funds, explained by early rapid expansion and recent new entrants. Amongst this group of foundations there is a growing interest in supporting the general development of Muslim philanthropy in the UK, including encouraging more donors and effective methods of giving, as well as capacity-building and leadership in philanthropic activities and organisations. (See section 2.6)



2.2 Sources of foundation funding

There is a diversity in the sources of funding across this group of foundations, but many more are involved in fundraising from the general public, local communities and major gift/legacy fundraising for their work than are funded by major independent endowments. This can be seen in their combined net assets which are worth £383 million, equal to just 0.9% of UK grant-making foundations' assets (excluding the giant Wellcome Trust). Big fundraising foundations include the large Ummah Welfare Trust, Penny Appeal and Muslim Hands which support large overseas humanitarian programmes.

Some grant-making foundations provide an important local or national UK donor focus for the strong traditions of charitable giving integral to Islamic beliefs and values. Other research has shown high levels of giving in migrant communities, who not only remit money overseas but are generous givers to charities of all kinds in the UK.¹⁴ Foundations offer one route for collecting, managing and distributing gifts from the UK's Muslim communities. The National Zakat Foundation specialises in helping UK donors to give and distribute their zakat (obligatory annual gift calculated on wealth and earned income) within the UK. Several foundations give detailed financial reports on the amounts received through each of the various forms of religious giving, including zakat, saddaqa (more informal or occasional gifts) special donations made during the holy month of Ramadan, waqf (larger more structured bequests, trusts and similar legacy giving which build endowments) and others including gifts in kind. Similar to UK foundation endowments, waqf is permanent and must follow the wishes of donor.¹⁵ Foundations reporting receipt of endowment include for example Al-Imdaad Foundation UK, Matliwala Family Charitable Trust, Children of Adam and Islamic Aid, which maintains an endowment fund in order to support long-term development project like schools, hospitals.

The shared culture, faith and value-driven nature of such funding creates a particular relationship with, and accountability to, donors. Many directly rely on foundations to respond on their behalf in a trustworthy and effective way to the basic needs they see in developing countries, including sometimes their own communities of origin. As Amy Singer, the noted scholar on Middle Eastern & African History, expresses it

'Socially, both obligatory zakat and voluntary sadaqa....are intended to strengthen individual communities and their collective well-being'.¹⁶

The strong emphasis on meeting humanitarian need seen in the philanthropic activities and missions of the foundations across this list is integrally related to the meaning and purpose of zakat, which is intended to relieve the poor and needy.

Muslim business is also involved in giving grants to foundations, whether those with which they have a close association (as in for example the Aziz Foundation), or others. Local

¹⁴ Pharoah, C and Mackenzie, T with Harrow, J et al. (2013) *Giving back to communities of residence and or origin*. Alliance Publishing Trust. London

¹⁵ Omar Fisher. *Islamic Charitable Giving*

https://www.academia.edu/6696838/Muslim_Charitable_Giving_Globally_-_Revival_of_Waqf

¹⁶ Amy Singer (2013). 'Giving Practices in Islamic Societies'. *Social Research* Vol 80:No 2, p341

businesses in Muslim communities also provides funding to locally-based organisations. Imdadul Muslimeen, for example, reports regular core support from a local pharmaceutical services firm and its associated companies.

Community fundraising is particularly important within smaller local foundations such as the Children of Adam. Several foundations make up their income through a combination of fundraising, income from charitable activities, other trading, or rental income.

A further important route through which foundations seeking additional funding for key programmes is partnership (see section 2.3), often multiple. Funding partners range from UK and other country governments, international aid agencies, large international NGOs, other foundations in the UK and abroad (for example the Qatar Charity), and charities with key local and community networks in the UK and overseas.

Often working in conflict zones and areas of tension, foundations need to approach funding partnerships particularly carefully to ensure they do not risk compromising their independence and crucial capacity to cross barriers and help those in need wherever, or whoever, they are. For example, the A.M.Qattan Foundation has a policy that external funding should not exceed 40% of the Foundation's annual budget, and that no conditions should be attached to funding that contradict the Foundation's core mission, which is to serve the interests of Arab and Palestinian society without discrimination.¹⁷ Another foundation stated that all partner charities were subject to due diligence procedures and regular monitoring and reporting, and that the inherent risks associated with working in some parts of the world meant that partners were not disclosed.

2.3 Where the funding goes

Foundations working in the context of Muslim philanthropy support both UK and international organisations. While there is a strong international focus, a small but fast-growing group of foundations with a specific UK focus in their grant-making is emerging. Several organisations support both UK and overseas causes.

Humanitarian need

It is not surprising to find in a diaspora community that awareness of humanitarian need and inequality, both local and global, is a strong thread running through these foundations' grant-making. Appreciating the opportunities they have had themselves, and often with direct experience of the most deprived or war-torn areas, many want to help others in need, both in the UK and globally. As the founders of the Asfari Foundation, which particularly supports education in the UK, Syria and elsewhere say

'When we set up the Asfari Foundation.....we knew that we wanted to give young people some of the wonderful opportunities we had been blessed with ourselves.....We are

¹⁷ The A.M.Qattan Foundation. Report and Financial Statements, Dec 2018

grateful for the opportunities the UK has afforded us since we settled here, nearly three decades ago. (Asfari Foundation, Annual Report and Accounts, 2017.)

There is an overwhelming emphasis on meeting immediate needs amongst poorer Muslim individuals, communities and countries and those who are victims of disaster or conflict, though not in an exclusive way. The CEO of Penny Appeal says

'Whilst we are a Muslim-led organisation, we have supported those in need regardless of faith and background'. (Penny Appeal, Strategic Report, 2018)

Human Appeal states that it is

'a faith-based organisation inspired by Islamic values.....(which) define how we serve our beneficiaries, and provide us with a framework for how we treat our stakeholders and our colleagues', defining its mission in an inclusive way as

*'ambassadors for the cause of justice. We work to eradicate poverty across the globe and ensure that others are treated with compassion and respect.'*¹⁸

The Al-Khair Foundation states that it works in the UK to

'actively engage in the areas of social and community cohesion through promoting tolerance and interfaith dialogue. (It) delivers its services without reference to race, colour, creed, background or political persuasion.'

The Said Foundation is also clear that it is non-sectarian and non-political. It works with a breadth of partners including individuals, NGOs, educational institutions, other charities, UN and government.¹⁹

Around three-quarters of the 30 foundations and other grant-making organisations encompassed direct relief of poverty and basic need amongst their priorities. These needs include poverty, food, health, medical care, water, shelter, disaster relief and humanitarian aid, including detainee and refugee communities and orphans. This orientation is not only seen in the bigger international foundations such as Ummah Welfare Trust, Penny Appeal, Muslim Hands, Islamic Help and Islamic Aid, but also in more local or specialised foundations such as the Nectar Trust and Altajir Trust where welfare help sits alongside other aims.

Ahmadiyya Muslim Jamaat International states its faith-based and missionary aims alongside a range of other charitable objectives including health, research, higher education, emergency relief and those in need. Like other foundations, it works through charities overseas as well as in the UK, carrying out case-by-case assessments by trustees. The Orison Charitable Trust frames its charitable work within its beliefs.

Refugee support

Addressing the needs of refugees was a priority with many foundations. For example, Hhugs (Helping Households Under Great Stress) has a holistic and compassionate approach to supporting financial, emotional and practical hardship amongst Muslim detainees (or former detainees) and their families, as long as families are resident in and or citizens of the UK. It states

'One of the most traumatic experiences that our families endure is visiting their loved one in detention...Entering a prison, undergoing fingerprinting, photographs, body searches

¹⁸ Human Appeal, Annual Report and Financial Statements, 2017

¹⁹ The Said Foundation, Annual Report and Accounts, 2018

*and dog searches all contribute to the feeling of humiliation, causing many to feel as if they themselves have been convicted.*²⁰

The plight of the Rohingya Muslims prompted support from many foundations, including the large Penny Appeal, for example, as well as the smaller Muslim Charity.

UK programmes

Several foundations address poverty relief and welfare need amongst Muslim and other communities including refugees in the UK, or work at both highly localised and international levels. For example, the Al-Imdaad Foundation UK has supported Rohingya and Syrian refugees in Jordan/Lebanon, but also has weekly food programmes in Lancashire. The Children of Adam has direct programmes to help homeless people in Peterborough as well as supporting many international initiatives. Some foundations support specifically UK initiatives. The Al-Khoei Foundation participates in the prison service chaplaincy council acting in an advisory role for Shia Muslim prisoners in HM prisons, and supplementing chaplain services currently available for Muslim prisoners. It is also a member of the Faith Forum for London, and the Religious Education Council, committed to interfaith initiatives.²¹ The Nectar Trust collaborates with The Church of Scotland and the Islamic Finance Council on ethical finance, and is also involved in a community-based interfaith programme in Sheffield.

Some UK foundations are aiming to grow and strengthen Muslim philanthropic activity in the UK. The focus of the National Zakat Foundation is to relieve poverty and need in Muslim communities in the UK and also to encourage donating and more effective ways of giving. Supporting leadership and encouraging investment in empowering disadvantaged communities in the UK is a key aim of the Aziz Foundation²²

'an increased investment in disadvantaged communities' skills and capacity, and their presence in public life and opportunities to connect with others, is crucialBy gaining confidence in their abilities, understanding their own power and influence, and communicating appropriately with others, people from disadvantaged communities are better able to correct misinformation, stereotypes and prejudice as well as challenge discrimination and marginalisation.'

Empowering young people

For many foundations and other grant-makers the key to greater empowerment in communities of need is the development of opportunities for young people. Education is very high on the agenda, particularly in developing countries as a basic human right. Support for primary and secondary education in areas where it is of poor quality or non-existent is a part of many funding programmes. This sometimes includes faith-based education. A number of foundations put investment in education and employment opportunities for young people at the heart of strategic approaches to tackling global problems of cyclical poverty and humanitarian conflict, reflecting the wider approach of many aid agencies and other international NGOs. (See the report on Jordan and Palestine for a detailed study of

²⁰ Hhugs Financial Statements, 2018

²¹ The Al-Khoei Benevolent Foundation, Report of the Trustees and Audited Financial Statements, 2018

²² The Aziz Foundation, Annual Report and Financial Statement, 2018

foundation involvement in enterprise opportunities for young people.) The Asfari, Said and A.M.Qattan Foundations give a particular emphasis to educational initiatives in their work. The founders of the Asfari Foundation, for example, say in their mission statement

'Today, in Syria and neighbouring countries, a whole generation of children and young people has been deprived of even the most basic rights of human existence – safety, nutrition, clean water and educationnearly an entire generation has been excluded from education...deprived of the chance to learn, to grow, to develop talents and lay foundations for the future'.²³

In an explicitly holistic approach, the Said Foundation talks of its

'...conviction that education is a powerful tool to change lives for the better and that higher education in particular plays a valuable role in creating enlightened and effective leadership which benefits the broader community'.²⁴

Through its Child Centre-Gaza (CCG), the A.M.Qattan Foundation places a major focus on the needs of children in Palestine, treating education as a platform for developing reading, linguistic, and further creative skills. Their approach to strengthening education in the region is comprehensive and strategic, and encompasses training for local teachers and artists in quality assurance, academic planning for kindergartens, and healing and education through the arts, largely through a programme co-funded by Save the Children.

The Asfari Foundation has a dedicated 'Youth Empowerment Programme' carrying out a number of initiatives. At a general level, it is working with overseas and UK partners to improve education systems in various countries, as well as to enable young people to move from education into employment and enterprise. This includes giving Syrian and Palestinian refugee students in Turkey, Lebanon and Palestine access to vocational and higher education. Key partners for the work in Syria include the Said Foundation and Hands Up Foundation. In the UK Asfari supported nine partners through its Youth Employability and Enterprise sub-programme, including in Scotland, the North East of England and Kent. Other initiatives include funding the Arab Culture Association to help artists in Haifa promote their products online and enhance their entrepreneurship skills. The Foundation supports young people's training on employability and entrepreneurship with a social impact through AMIDEAST, childcare and nursing training through the Child and Mother Welfare Society, and IT and programming training to young people from Palestine, Syria and Turkey through Re:Coded.

It should be noted that there is considerable philanthropic support for education about the Muslim faith, provided by Muslim institutions, both in the UK and overseas. However, as noted in the Introduction (Section 1.2), foundations whose main purpose is to fundraise or provide regular funding for a one or a small set of specific organisations are not part of the definition of a 'grant-making foundation' as used in the previous UK foundation research or adopted for this report. Such spending is only included where it forms part of a wider and more general grant-making.

²³ Asfari Foundation, Annual Report and Accounts, 2017

²⁴ Said, *ibid*

Sustainable livelihoods and entrepreneurial development

It was found that, parallel to the focus on youth development and social enterprise opportunity, several UK foundations and other grant-making charities place a focus on tackling poverty and deprivation through support, including (faith compliant) social finance, to develop more sustainable livelihoods. Islamic Relief, for example, runs a multi-national Islamic micro-finance programme, and has made loans of £6 million in many different countries to help support livelihoods. A farmers' group in Kenya, for example, used a loan to purchase a climate-smart irrigation kit to irrigate their land through agro-solar technology. The loan is being repaid and the farmers' future looks more secure, using innovative technology to grow and sell high value crops despite conditions of ongoing drought. In Indonesia women's groups were set up to launch mushroom cultivation businesses, and local government has now become involved in supporting this enterprise. Village cooperatives have been supported in the Philippines, involving training for young people, women and people with disabilities to make and sell high value products from local available resources. In Bosnia-Herzegovina and Chechnya, microfinance institutions are now almost self-sustaining, and Islamic Relief is involved in developing training and management in Islamic microfinance more generally.²⁵ A UK example is the social investment of £14.7 million by Ahmadiyya Muslim Jamaat International in the provision of appropriate residential accommodation for poor and needy people.

The Al-Khair Foundation, which was not included in the report because grants spending was not separately identified in the Annual Report, also places importance on promoting sustainable livelihoods and funds a range of small-scale local entrepreneurial activities. These include support for three handicraft centres for women in Pakistan, who generate income from selling their crafts in local markets; two prayer-mat factories; a duck-breeding project for Rohingya refugee families in Indonesia, reported to send 70% of the income generated back to families in Myanmar; the provision of sewing machines to displaced people in Sylhet enabling women to generate income from their homes; and in Kenya a project to upgrade fishing boats so that fishermen can improve their markets through travelling further and preserving catches for longer.

The Aga Khan Foundation (AKF) (UK) sees its main role as providing an interface between its global Development Network and private, institutional and government donors, working with many partners including DfID, the EC, Johnson & Johnson, Porticus Foundation and many others. Just under half of its funding is from government sources. It aims at sustainable and equitable social development by strategically building a 'critical mass' of cross-sectoral activities in education, health, rural development, environment and civil society, which complement and reinforce each other.²⁶

Arts and Culture

Although a small group, the foundations in our sample also support arts and culture in a wide range of ways. Several foundations take a strategic approach to supporting arts and

²⁵ Islamic Relief Worldwide, *Annual Report and Financial Statements, 2017 and 2018*

²⁶ Aga Khan Foundation (United Kingdom) Report of Council and Financial Statements, 2017

culture initiatives as a way of promoting inter-faith, ethnic and cultural understanding and relationships. The Said Foundation's 'Amal', for example, is a programme making multiple grants across the UK to a wide range of artists and organisations with a focus on projects which promote 'encounter' amongst participants. Through an evaluation of Amal's impact, the learning from the project has been made generally available. It found that creating moments of convergence for Muslims and non-Muslims through the medium of arts and culture helped 'to open minds and forge common ground'. Many people have few opportunities for genuine engagement with Muslims. Contemporary (as opposed to traditional) art idioms and platforms were found more effective with young people, providing opportunities for them to express themselves through the arts, raising aspirations, confidence and a sense of belonging, and countering negative perceptions of Muslims in wider society.²⁷

In a shared history approach to building trust between communities, the Nectar Trust supports the British Muslim Heritage Centre where, for example, a recent exhibition entitled '100 Stories of Sacrifice', portrayed the contribution of Muslim soldiers in the British army in World War One.²⁸

The A.M.Qattan Foundation places a particularly strong emphasis on supporting cultural exchange, with a focus on its value for children and young people. It contributed to a Palestinian-Flemish Cultural Festival in Ghent and Ramallah in 2018. Its Culture and Arts Programme works on multiple levels, and pro-actively seeks out local communities involved in identifying solutions through art and cultural interventions, while its Mosaic Rooms are a London venue for supporting and promoting contemporary culture from the Arab world and elsewhere.

Heritage and conservation are the focus of the Altajir Trust which funds the dissemination of Islamic cultural traditions through publications, exhibitions and lectures. It also supports the conservation of Islamic artefacts and manuscripts in the UK and Muslim countries. Grantees and partners include the British Museum, Chatham House, the Universities of Stirling and York, and the Trust also provides scholarships to students from Arab world to study at British universities.²⁹

2.4 Modes of operating

As noted in section 1.2, few foundations were found to be purely grant-making, with many carrying out a mix of grant-making, providing direct services and supporting particular organisations. Grants represent a large part of the spending of the Al-Khoei Benevolent Foundation, for example, which also collects and distributes various religious dues from donors and operates mosques and schools.

²⁷ Said Foundation. Annual Report and Accounts. August 2017, and August 2018

²⁸ Nectar Trust, Trustees' Report and Financial Statements, March 2018

²⁹ Altajir Trust Trustees Report and Financial Statements. December 2017, and December 2018

The extensive international work and geographical reach of many of these foundations into areas where there are few or broken systems make particularly heavy demands on guaranteeing standards of governance and service delivery. This is reflected in the care taken in many annual reports to note procedures such as risk policy related to banking or terrorism, requirement for monitoring reports from beneficiaries, and provision of some feedback on grants, programmes and outcomes. The challenge for these foundations is to overcome the barriers which can make the most vulnerable and needy communities the hardest to help. Foundations carry greater financial, operational and reputational risk. Many have formed multiple UK and global partnerships and networks to help mitigate risk, where partners not only provide additional financial resources but expertise, experience and access on the ground. Reliance on long-standing relationships is one approach used by foundations to help reduce burden and risk. Due diligence procedures and use of the UK Charity Commission's framework particularly when selecting and verifying new partners overseas are featured in several annual reports. The Ummah Welfare Trust, for example, writes that

*'where a local partner is preferable, those organisations active in the target area are reviewed for their track record in the field, financial transparency and operational capability.....a dialogue (is) initiated...Conditional grants are then awarded where applicable local partnerships are established...'*³⁰

Islamic Help³¹ states that they support partners in the countries where the beneficiaries reside and that they are subject to a vetting exercise, with grants awarded against proposals received, and post-delivery reports sought. Trustees and management staff visit Field Offices to confirm programme spend and get beneficiary feedback. Imdadul Muslimeen³², which supports organisations in India, Pakistan and Bangladesh requests potential applicants to

'provide references or recommendation letters to genuine organisations...as well as supporting documents including accounts, references, activity reports, photos, authorisation letters, the personal identification of the applicant, and bank account details etc.' The foundation visits organisations where possible, and direct visits either by the foundation itself or trusted intermediaries are mentioned by several including, for example, the Children of Adam. It is also acknowledged that where overseas partners are involved the costs involved in visits on the ground can be prohibitively high. The Euro Charity Trust states that it requires progress and end-of-project reports, carries out Trustee visits to ensure appropriate use of funds, and has a parallel system of formal evaluation of its largest partners in place.

2.5 Partnerships and Infrastructure

There are many references to the frequency of partnership approaches in the foundations described here. Reasons for this include the need to attract extra funding and to deal effectively with the challenges of working to bring help to needy, often difficult to access, communities across the globe. To be effective may mean working with distant partners,

³⁰ Ummah Welfare Trust, *Trustees Report and Financial Statements*, 2018

³¹ Islamic Help, *Annual Report and Financial Statements*, 2018

³² Imdadul Muslimeen, *Financial Statements*, February 2018

intermediaries, governments and aid agencies of all kinds. In spite of the challenges, some foundations want to extend still further to other hard-to-reach groups. The Ummah Welfare Trust, for example, states that

'The charity has built on its existing partnerships to create strong working relationships with local organisations in different parts of the world...it is also actively looking to increase its networks of partner organisations...to increase its reach into area of the world which are hard and difficult to work in and get to, but where the need is most dire, paying particular attention to Africa'.³³

It is arguable that the success of bringing aid to the areas of most need in the world actually depends on effective partnership. Examples of some of the foundation collaborations across the globe include the work of the Muslim Charity, which responds widely to calls from the lead international humanitarian agencies and governments as well as supporting developmental projects in countries such as Somalia, Kenya, Occupied Palestinian Territories, Lebanon, Myanmar, Nepal, Bangladesh, Pakistan, India and other vulnerable communities where it is.. *'able to mobilise its ground partners'*, including in Syria. The Al-Khair Foundation is firmly committed to partnership working and its wide-ranging partner list has included UNHCR, UNWRA, Qatar Red Crescent Society, Kenya Red Cross, Christian Aid, Syria Relief, Humanitarian Forum Yemen, Action Aid and the Miracle Foundation. The Asfari Foundation notes that in 2017 it worked with 47 different partners worldwide.³⁴

The Said Foundation reports that its partners in 2017 include Syria, the IRC, Save the Children and UNHCR, again emphasising that they are chosen because of their experience of delivering humanitarian projects in conflict-affected areas.

Equally important to the delivery of the missions are the cross-working partnerships formed within the UK, including between foundations included in this report. The Children of Adam, for example, notes multiple partnerships and Memorandums of Understanding with other UK registered charities, including Muslim Charity, Al Imdaad Foundation, Kashmir Orphan Relief, Ummah Welfare Trust and the Midland International Aid Trust. Human Appeal also works with the Al-Imdaad Foundation which has affiliates and many local partners, including in Turkey. The Euro Charity Trust notes its work through long-term partners in India whose objectives are in line with their own, as well as with Imdadul Muslimeen in the UK because of *'their substantial experience of supporting hundreds of small organisations in South Asia and other parts of the world.'*

2.6 Leadership and development

The financial results for foundations working in a Muslim context presented above indicate that the philanthropy of this sector has been expanding steadily over the last few years. A further sign of its growth and development is the emergence of an infrastructure of umbrella groups. This aims to encourage greater and more effective giving within the Muslim community (such as, for example, the British Asian Trust) but also plays a wider role in providing a representative voice for issues of common concern amongst foundations and

³³ Ummah Welfare Trust, *ibid*

³⁴ Asfari Foundation, *ibid*.

charities. These include the difficulties and barriers in transferring funds to places of desperate need (as noted above), bank de-risking and the impact of counter-terrorism policy. The Muslim Charities Forum was established in 2007,³⁵ and has just launched its own Journal to disseminate up-to-date information and thinking around topical issues, organisational effectiveness and training and leadership amongst Muslim charities.³⁶ The National Zakat Foundation has a leadership development programme, and the Aziz Foundation gives grants for the development of both organisations and individuals as leaders in their fields. These activities link in to well-established developments in the wider charity and foundation worlds in the UK, and in the longer-term should help bring the different charity sub-sectors together and promote knowledge-sharing.

3 Conclusions and implications – a sector defining a domestic as well as international role

The research has found that UK foundations and other grant-making charities working in a Muslim context have both UK and international-facing roles and place a strong priority on meeting welfare and humanitarian needs. Many give educational, employment and entrepreneurial opportunity a key place in developing more sustainable solutions. The key conclusions and messages of the research include:

Value of existing sources of information in the UK The mandatory system of regular annual reporting on charitable foundations in the UK has considerable scope as an information platform for studying sub-sectors of foundations and other grant-making charities such as those working in the context of Muslim philanthropy. The study has demonstrated a preliminary scoping map of this sub-sector (while recognising that a different approach to definitions would have produced a different map). As noted in the Introduction, this study did not set out to evaluate information, but simply to explore how much was available and its results are, of course, dependent on how foundations present themselves in their annual reports. Further dedicated research could build on this platform to look in more detail at key areas of interest.

The variability, comprehensiveness and detail of reporting mirrors the general UK foundation picture As has been found in research on the wider UK foundation sector, within the reporting and accounting guidelines required by the Charities Statement of Recommended Practice³⁷ annual reports vary widely in the extent of detail provided on foundations' activities and on financial breakdown. More consistent and detailed standards of reporting could provide better and more comparative results across foundations in areas such as costs. Some reports are exemplary, while others provide information in ways which make comparison difficult.

³⁵ <https://www.muslimcharitiesforum.org.uk/>

³⁶ The Forum <https://www.muslimcharitiesforum.org.uk/launch-of-mcfs-journal-the-forum/>

³⁷ <https://www.gov.uk/government/publications/charities-sorp-2005>

The group of foundations working in the context of Muslim philanthropy share characteristics of the general foundation world in the UK, but also have some distinct features Like the foundation universe more broadly, foundations working in a Muslim context present considerable diversity in relation to their funding sources, their operating modes, their philanthropic missions and the populations they serve, and they have both domestic and international programmes. As a philanthropic sub-sector which has grown from a diaspora, it is still defining its role in relation to domestic as well as international need, in both Muslim and non-Muslim areas. A stronger presence of UK-focussed foundations is emerging, and a developing UK Muslim philanthropy infrastructure and there are growing major opportunities for sharing experience with foundations and grant-makers in other sectors.

A particular characteristic is the strong emphasis on meeting the humanitarian needs of communities suffering from poverty or conflict across the globe, Muslim and non-Muslim, found in almost three-quarters of the foundations and charities included in the study. This emphasis is related to the system of shared values and beliefs which underpin Muslim forms of giving, and to the fact that several foundations and other grant-makers working in a Muslim context in the UK are key conduits for giving from Muslim communities. This distinctness means both that there is a rich pool of experience on international philanthropy which could be shared more widely, and also that there is a need for greater understanding and support for the particular challenges faced.

Foundations and other grant-making charities working in the Muslim context face particularly demanding challenges of risk, compliance, governance and access This arises because of the global reach of many organisations and because many are trying to work in areas characterised by conflict, disaster, remoteness or extreme poverty. Acknowledgement of the challenges posed by these issues and how they are tackled are widely addressed in organisations' annual reports, and are the subject of policy work within the Muslim sub-sector.

Tackling deprivation and conflict through better educational and employment opportunities, and more sustainable livelihoods, particularly amongst young people is a priority This is a priority which applies as much in the UK as well as overseas, and also reflects the priorities of many of the foundations based in Jordan and Palestine, as shown in the complementary part of this study.

Arts and culture grants are often used strategically to develop inter-cultural understanding While partly aimed at the preservation and dissemination of Islamic traditions, funding for arts and culture often seems to place a stronger emphasis on activities aimed at promoting inter-cultural understanding. A number of foundations also participate in inter-faith initiatives.

Multiple local, national and international funding and delivery partnerships are a key feature of the way in which foundations deal with challenge Almost all organisations state that successful outcomes in their work depend on partnerships based on trust. It can be

seen from accounts in many reports that foundation knowledge and experience in key target areas is highly valued and shared between foundations.

Knowledge-sharing is an important feature of how foundations in a Muslim context carry out their mission, and there is potentially scope to widen this internally and externally The foundations and other grant-making organisations in this study have considerable expertise on giving with the Muslim community in the UK as well as on global needs and how to meet them. Such knowledge and experience is highly valued and shared within certain networks and partnerships. The challenge is whether and how this could be shared more widely, for the benefit of other Muslim and non-Muslim foundations who would like to do more to address issues of diversity, global inequality and conflict. Infrastructure bodies within the Muslim philanthropy community are already beginning to facilitate awareness-raising and action around issues such as risk and legitimacy, barriers also faced by other UK foundations working in international contexts. Wider knowledge-sharing could potentially encourage foundations to work in more needy or difficult geographic contexts, and in more innovative ways. It could potentially facilitate more cost-effective approaches to finding and developing partnerships, or working through distant partners.

Foundations and other grant-makers working in context of Muslim philanthropy

	Total grant-making	Total spending* (incl. direct programmes, support costs)	Total income	Total funds	A/c year end
Main/ sole focus on UK grant-making					
Al-Imdaad Foundation Uk	0.21	6.22	6.61	0.49	2018
Al-Khoei Benevolent Foundation	5.25	7.24	6.84	9.11	2018
Altajir Trust	0.18	0.33	0.36	0.12	2018
Children Of Adam	0.37	0.56	0.58	0.09	2018
HHUGS - Helping Households Under Great Stress	0.42	0.84	0.88	0.13	2018
National Zakat Foundation (Nzf)	3.50	4.54	4.64	2.26	2018
Nectar Trust	1.40	1.98	0.12	17.30	2018
The Aziz Foundation	2.05	2.27	4.04	0.05	2018 ³⁸
The 1 st Ethical Charitable Trust	0.14	0.55	0.56	0.11	2017 ³⁹
Mixed UK and International Grant-making					
COSARAF Foundation	0.30	0.31	0.33	0.40	2018
Elrahma Charity Trust	0.56	0.81	1.17	58.32	2017
Families Relief	0.24	0.54	0.47	0.01	2017
The Mainstay Foundation	0.64	0.74	1.02	0.31	2017
The Said Foundation	20.05	21.11	21.32	65.70	2018
Main/sole focus on international giving⁴⁰					
A M Qattan Foundation	1.30	7.13	11.98	38.12	2018
Aga Khan Foundation (United Kingdom) ⁴¹	31.25	34.99	37.29	93.27	2017
Amanat Charity Trust (Ummah Welfare Trust)	19.19	32.82	35.36	24.60	2018
Euro Charity Trust	4.39	4.43	6.11	6.81	2017
Human Appeal	9.77	58.12	59.89	8.19	2017
Imdadul Muslimeen	1.11	1.12	1.03	0.68	2018
Islamic Aid	4.71	4.94	3.80	5.32	2018
Islamic Help	3.89	6.25	6.18	0.76	2018
Muslim Charity Helping The Needy	2.33	2.73	2.89	1.18	2018
Muslim Hands	10.14	14.89	19.10	10.77	2017
Orison Charitable Trust	2.10	2.13	0.72	0.69	2018
Palestinians Relief & Development Fund (Interpal)	4.64	6.07	5.91	4.84	2017
Penny Appeal	10.50	24.50	24.56	4.36	2018
The Asfari Foundation	3.41	4.05	4.27	14.01	2018
The Matliwala Family Charitable Trust	0.48	0.53	0.86	6.65	2018
The World Federation of Khoja Shia Ithna-Asheri Muslim Communities	16.09	18.10	18.18	8.35	2017

* Includes grants, direct programmes, publications, support costs like salaries, fundraising, governance.

³⁸ Covers period Oct 2016- March 2017: charity only became operational in 2015

³⁹ Covers period 2015-17: charity has recently re-registered with revised objectives

⁴⁰ Includes grant-making foundations and major international charities who fund operating programmes in other countries mainly through grants: this list does not include major grant-making organisations like Ahmadiyya Muslim Jamaat International, Islamic Relief Worldwide, or Muslim Aid because of the mix of international and as well as UK funding in their income.

⁴¹ Around one-third of income is governmental

Examples of additional Social and Programme Related Investment

Elrahma*	£3.36 mn	Programme Related Investment (PRI)
	£5.3 mn	
Islamic Relief Worldwide		Micro-finance loans
Ahmadiyya Muslim Jamaat International **	£14.7 mn	Social Investment (SI)
The World Federation of Khoja Shia Ithna-Asheri Muslim Communities***	£1 mn	Loans to individuals and charities

* Elrahma Charity Trust PRI involves properties owned and provided to other charities to operate as places of worship.

** SI in Mirza Sharif Ahmad Foundation, for providing reasonable accommodation for needy communities.

*** Includes loans to students for education, to taxi-drivers in India and social enterprises in Africa.

Appendix

Detail on the methodology for the research

1.1 Using existing sources of data

Much of the data gathering and research effort around foundations in the UK is based on annual charity information collected primarily for regulatory purposes.⁴² Mandatory charity registration with the Charity Commission (England and Wales), OSCR (Scotland) or the Charity Commission for Northern Ireland, coupled with mandatory annual reports and accounts produced in accordance with standard charity accounting guidelines and templates have resulted in a relatively up-to-date and consistent set of information on charities in the UK.

Annual Reports and Accounts contain administrative data such as the names of the organisation's trustees and charitable objects, hard quantitative financial data in income, assets and spending as well as 'softer' narrative information largely provided at the discretion of charities themselves on mission, priorities, programmes, grantees and fundraising. In terms of grant-making, foundations are required to provide the user with '*an understanding of the nature of the activities or projects being funded by the grant-maker*'. Detail on the largest institutional grants must be provided either in the charities' accounts or web page, '*when these are material in the context of the charity's total charitable expenditure*'.⁴³

Although not designed for research purposes, the quantitative financial and management information collected on individual charities through the annual reporting systems by the Charity Commission is widely used for research. The requirement for the accounts of all charities with incomes of £1 million or over to be externally and professionally audited ensures that the information provided is authoritative and reliable.⁴⁴ A number of UK publications compile foundation information from annual reports and accounts supplemented with limited surveys, including the long-standing set of directories aimed to help fundraising charities to find foundation funding, published by the Directory of Social Change.⁴⁵

1.2 Building on existing foundation research

Research exploring non-quantitative aspects of foundations such as, for example, Muslim or other faith-related philanthropy depends on exploring the 'softer' narrative information which charities provide in their annual reports to the regulators. Part of the aim of this project was to explore the feasibility of mapping out an area like this from publicly available

⁴² Morgan, Gareth (2011), The use of UK charity accounts data for researching the performance of voluntary organisations, Voluntary Sector Review, 2,2, 213-230

⁴³ Charity Commission. Charities SORP (FRS 102) Paras 16.13-16.20

⁴⁴ Charities below this threshold can have their accounts looked at by an increased pool of Independent Examiners, ensuring that the level of assurance remains high.

⁴⁵ <https://www.dsc.org.uk/publication/the-guide-to-major-trusts-2019-20/>

data, and it is important to be aware that there are likely to be gaps. The obvious exclusions are the cases where involvement in philanthropy in Muslim contexts cannot be seen or deduced from the text in Annual Reports, or websites etc. To get a full picture the only alternative would be very large dedicated surveys, although even these are dependent on response rates, and there would, of course, be considerable additional cost.

This particular project builds on a long tradition of researching, monitoring and publishing annual trends in the spending of the UK foundation sector (mainly by the author of this report and colleagues). It aims to adapt this methodology to build a platform for understanding the place and contribution of Muslim philanthropy within the foundation sector, making use of the regulatory financial and narrative information in UK charities' annual reports, websites and other published sources.

The first challenge is that while the research focuses on independent philanthropic organisations which achieve their mission mainly through funding others, there is no common international legal definition or regulation for such foundations. In the UK, unlike the US for example, there is no legal or tax code which distinguishes grant-making foundations from other types of charity.⁴⁶ All charities have the same registration, which means that grant-making foundations cannot be objectively or easily identified. Therefore the research starting-point is to develop a working definition of 'foundation', along with appropriate criteria for selecting the relevant organisations from the charities registered on the Charity Commission (England and Wales) or OSCR (Scotland) databases.

This approach was originally developed by charities publishing key annual data on grant-makers from the late 1970s onwards⁴⁷. It was modelled on that of the Foundation Center the seminal body in classifying, researching and publishing data on US foundations, which uses the following definition

A foundation is a non-governmental entity that is established as a non-profit corporation or a charitable trust, with a principal purpose of making grants to unrelated organizations, institutions, or individuals for scientific, educational, cultural, religious, or other charitable purposes.

Following this approach, a set of criteria was identified which would enable the selection of organisations eligible for inclusion in *Foundation Giving Trends*, the annual research on trends in grant-making foundations produced collaboratively between CGAP@Cass and the Association of Charitable Foundations, and funded by the Pears Foundation.⁴⁸

Organisations included are registered charities and:

- get income from almost solely private, philanthropic sources (incl. endowments)
- devote the majority of their charitable spending to making grants

⁴⁶ In the UK 'foundation' and 'trust' are used interchangeably to refer to the same types of organisations

⁴⁷ In particular the Charities Aid Foundation, in its first *Charity Statistics* reports, later entitled *Dimensions of the Voluntary Sector*, then *Charity Trends*, and finally the *Charity Market Monitor*, whose publication ceased in 2011: annual data on foundations was subsequently picked up in the *Foundation Giving Trends* publications.

⁴⁸ Pharoah et al. *Foundation Giving Trends* (incorporating *Family Foundation Giving*), Editions 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018. Cass Business School, Association of Charitable Foundations, Pears Foundation.

- are principally grant-making and not operating or providing direct services
- are not set up principally to support a single institution/beneficiary or narrow cause e.g. religious schools of a particular faith, narrow geographic areas like a small town.
- are largest by value of grants.

This approach was adopted for the current project, meaning a focus on identifying foundations within the sphere of Muslim philanthropy (see next paragraph) which operate mainly through making grants, are largely funded from philanthropic sources (not governmental), and are not set up principally to support specific or named institutions, such as a school or mosque or a small associated group of these. It is recognised, however, that the estimated 1000- 2000 mosques in the UK⁴⁹ are vital hubs for philanthropic donating and activities within the Muslim community.

UK Grant-making in Muslim context Two special features of grant-making within the context of Muslim philanthropy in the UK emerged from preliminary research which led to the adaptation of the criteria for inclusion in this study:

- foundations in the Muslim context are more likely to combine grant-making with direct services than in the wider UK population
- the large element of international activity meant that many service-providing charities operate mainly through grant-making to overseas partners.

For these reasons, a more flexible approach to the balance between these two modes of operating was taken than in the UK research on grant-making foundations,⁵⁰ in order to get as full a picture as possible of levels of grant-making.

1.3 Developing a research focus on Muslim philanthropy

Developing definitions for researching and measuring Muslim philanthropy is challenging. There are, for example, issues related to what we understand as ‘philanthropy’. Siddiqui⁵¹ highlights that

‘attempts to examine Muslim (or Islamic) philanthropy have sought to examine scripture, tradition or practice from the western definition of ‘voluntary action for public good’. However, that definition excludes religious duty to give which is involuntary, and would exclude zakat which is required as one of the five pillars of the faith. It would also exclude generosity that is primarily inspired by obligation to God rather than the public good.’

Action for the ‘public good’, however, is a legal and defining condition for establishing a charitable foundation in the UK.

The difficulties of identifying a working definition for this particular piece of research on Muslim philanthropy, which could encompass faith (or branches of a faith), and cultural, community or geographic contexts as well as donors, founders, staff, individual beneficiaries

⁴⁹ <https://fullfact.org/news/Muslims-uk-viral-poster-factchecked/>

⁵⁰ While the focus is on grant-makers, it is recognised that the 1000- 2000 mosques in the UK⁵⁰ are vital hubs for Muslim philanthropy. <https://fullfact.org/news/Muslims-uk-viral-poster-factchecked/>

⁵¹ Siddiqui (ibid)

or beneficiary countries, are reviewed in detail in the study in Jordan and Palestine. Resulting from this, it was decided to draw on the work of Sherene El Taraboulsi (2015)⁵² originally developed for the Muslim Philanthropy Digital Library. This adopted an inclusive definition of Muslim philanthropy which was geographic and cultural, and not only faith-based, though might be faith-expressive. A similarly inclusive approach was felt to be necessary for the UK research, as there was little precedent for this kind of work and little was known about the potential constituency which could be encompassed.

A particularly important consideration is that any organisation registered as a charity in the UK must demonstrate that its mission is in line with the public benefit requirements of the Charity Commission regulator, whatever the faith or orientation of its founders and donors. With this in mind, open searches of the Charity Commission database of charity annual reports were carried out to identify organisations relevant for the study, applying the following keyword search terms to the name, objects or activities of charities on the Charity Commission's database – '*Muslim*', '*Islam*', '*makes grants to organisations/ individuals*'. A further condition applied was '*annual income over £500k*', to exclude the thousands of small charities on the database and keep the study within manageable proportions.

This produced a list of potential organisations for inclusion, which was supplemented with additional information from other directories, and publicly available information on, for example, founders, donors and supporter communities. From this list, organisations which did not meet the criteria set out above for identifying philanthropically-funded grant-making foundations (section 1.2) were weeded out. As will be seen below, several of the UK foundations finally included in this study received their funding through zakat. Some, though not all, state at the beginning of their annual reports that their philanthropic mission and its implementation is inspired by and embedded in their faith, a pattern which can be observed for philanthropic foundations in the UK established within other faiths.

⁵² El Taraboulsi, S. (2015) Muslim Philanthropy And The Production of Space: the Muslim Philanthropy Digital Library Case, John D. Gerhart Center for Philanthropy and Civic Engagement, The American University in Cairo, dar.aucegypt.edu/bitstream/handle/10526/4307/Muslim%20Philanthropy%20And%20The%20Production%20Of%20Space%20The%20Muslim%20Philanthropy%20Digital%20Library%20Case%20176-188.pdf?sequence=1